



CITY OF ALAMEDA • CALIFORNIA

SPECIAL MEETING OF THE CITY COUNCIL
TUESDAY - - - DECEMBER 6, 2005 - - - 6:00 p.m.

Time: Tuesday, December 6, 2005, 6:00 p.m.

Place: **City Council Chambers Conference Room**, City Hall, corner
of Santa Clara Avenue and Oak Street.

Agenda:

1. Roll Call.

2. Public Comment on Agenda Items Only.

Anyone wishing to address the Council on agenda items only,
may speak for a maximum of 3 minutes per item.

3. Adjournment to Closed Session to consider:

3-A. CONFERENCE WITH LABOR NEGOTIATORS

Agency Negotiators: Marie Gilmore and Frank Matarrese.

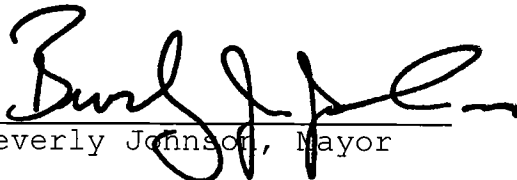
Employee: City Attorney.

3-B. CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION

Name of case: Mohlen & Skrinde v. City of Alameda.

4. Announcement of Action Taken in Closed Session, if any.

Adjournment


Beverly Johnson, Mayor



CITY OF ALAMEDA • CALIFORNIA

SPECIAL MEETING OF THE COMMUNITY IMPROVEMENT COMMISSION
TUESDAY - - - DECEMBER 6, 2005 - - - 6:01 P.M.

Time: Tuesday, December 6, 2005, 6:01 p.m.

Place: **City Council Chambers Conference Room**, City Hall, corner of Santa Clara Avenue and Oak Street.

Agenda:

1. Roll Call.

2. Public Comment on Agenda Items Only.

Anyone wishing to address the Commission on agenda items only, may speak for a maximum of 3 minutes per item.

3. Adjournment to Closed Session to consider:

3-A. CONFERENCE WITH REAL PROPERTY NEGOTIATORS

Property: Fleet Industrial Supply Center.

Negotiating party: Community Improvement Commission and ProLogis, Inc.

Under negotiation: Price and terms.

4. Announcement of Action Taken in Closed Session, if any.

Adjournment

Beverly Johnson Chair
Community Improvement Commission



CITY OF ALAMEDA • CALIFORNIA

SPECIAL JOINT MEETING OF THE CITY COUNCIL,
COMMUNITY IMPROVEMENT COMMISSION, AND
ALAMEDA REUSE AND REDEVELOPMENT AUTHORITY
TUESDAY - - - DECEMBER 6, 2006 - - - 7:25 P.M.

Location: **Council Chambers**, City Hall, Santa Clara Avenue and Oak Street.

Public Participation

Anyone wishing to address the Council/Commission/Board on agenda items or business introduced by Councilmembers/Commissioners/Board Members may speak for a maximum of 3 minutes per agenda item when the subject is before the Council/Commission/Board. Please file a speaker's slip with the Deputy City Clerk if you wish to speak on an agenda item.

PLEDGE OF ALLEGIANCE

ROLL CALL

CONSENT CALENDAR

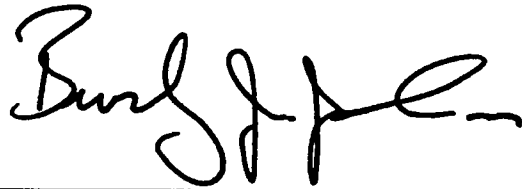
- 1-A. Minutes of the Special Community Improvement Commission Meeting of November 15, 2005. **[Community Improvement Commission]** (City Clerk)
- 1-B. Transmittal of City of Alameda Comprehensive Annual Financial Report (CAFR) for Fiscal Year ended June 30, 2005, Auditor's report on agreed upon procedures on compliance with Vehicle Code section 40200.3 Parking Citation Processing, agreed upon Procedures Report on compliance with the Proposition 111 2004-05 Appropriations Limit Increment, Police and Fire Retirement System Pension Plans 1079 and 1082 Audit Report for Fiscal Year ended June 30, 2005, Metropolitan Transportation Commission Grant Programs Financial Statements for year ending June 30, 2005, Community Improvement Commission basic component unit financial statements for the year ended June 30, 2005, and Alameda Reuse and Redevelopment Authority basic component unit financial statements for the year ended June 30, 2005. **[City Council, Community Improvement Commission and Alameda Reuse and Redevelopment Authority]** (Finance)

- 1-C. Recommendation to approve the Amended Contract with Komorous-Towey Architects, Inc. by increasing the Contract amount by \$68,200 to provide additional architectural and construction administration services for the Civic Center parking garage.
[Community Improvement Commission] (Development Services)

AGENDA ITEMS

None.

ADJOURNMENT

A handwritten signature in black ink, appearing to read 'Beverly Johnson', written over a horizontal line.

Beverly Johnson, Mayor
Chair, Community Improvement
Commission and Alameda Reuse and
Redevelopment



CITY OF ALAMEDA • CALIFORNIA

IF YOU WISH TO ADDRESS THE COUNCIL:

1. Please file a speaker's slip with the Deputy City Clerk and upon recognition by the Mayor, approach the podium and state your name; speakers are limited to three (3) minutes per item.
2. Lengthy testimony should be submitted in writing and only a summary of pertinent points presented verbally.
3. Applause and demonstration are prohibited during Council meetings.

AGENDA - - - - - REGULAR MEETING OF THE CITY COUNCIL
TUESDAY - - - - - DECEMBER 6, 2005 - - - - - 7:30 P.M.

[Note: Regular Council Meeting convenes at 7:30 p.m., **City Hall, Council Chambers, corner of Santa Clara Ave and Oak St.**]

The Order of Business for City Council Meeting is as follows:

1. Roll Call
2. Agenda Changes
3. Proclamations, Special Orders of the Day and Announcements
4. Consent Calendar
5. Agenda Items
6. Oral Communications, Non-Agenda (Public Comment)
7. Council Communications (Communications from Council)
8. Adjournment

Public Participation

Anyone wishing to address the Council on agenda items or business introduced by Councilmembers may speak for a maximum of 3 minutes per agenda item when the subject is before Council. Please file a speaker's slip with the Deputy City Clerk if you wish to address the City Council.

SPECIAL MEETING OF THE CITY COUNCIL 6:00 p.m.

CITY COUNCIL CHAMBERS CONFERENCE ROOM

Separate Agenda (Closed Session)

SPECIAL MEETING OF THE COMMUNITY 6:01 p.m.

IMPROVEMENT COMMISSION, CITY COUNCIL CONFERENCE ROOM

Separate Agenda (Closed Session)

SPECIAL JOINT MEETING OF THE CITY COUNCIL, 7:25 P.M.

COMMUNITY IMPROVEMENT COMMISSION AND ALAMEDA REUSE

AND REDEVELOPMENT AUTHORITY, CITY COUNCIL CHAMBERS

Separate Agenda

1. ROLL CALL - City Council
2. AGENDA CHANGES
3. PROCLAMATIONS, SPECIAL ORDERS OF THE DAY AND ANNOUNCEMENTS

3-A. Library project update.

4. CONSENT CALENDAR

Consent Calendar items are considered routine and will be enacted, approved or adopted by one motion unless a request for removal for discussion or explanation is received from the Council or a member of the public.

- 4-A. Minutes of the Special and Regular City Council Meetings held on November 15, 2005. (City Clerk)
- 4-B. Bills for ratification. (Finance)
- 4-C. Recommendation to appropriate \$142,000 in Urban Runoff Funds to repair public storm drainage facilities within the Bridgeside Shopping Center and reimburse Regency Centers for expenditures incurred. (Public Works)
- 4-D. Recommendation to adopt the Ferry Short Range Transit Plan. (Public Works)
- 4-E. Recommendation to adopt Plans and Specifications and authorize Call for Bids for Five Police Communications Center Workstations. (Police)
- 4-F. Recommendation to accept the Affordable Housing Ordinance Annual Review. (Development Services)
- 4-G. Recommendation to accept the Public Art Ordinance Annual Review. (Planning and Building Department)
- 4-H. Recommendation to accept Impact Fee Report for Police and Fire services. (Finance)
- 4-I. Recommendation to accept the Annual Investment Report for the 2004-2005 Fiscal Year. (Finance)
- 4-J. Recommendation to award Restaurant Concessionaire Contract to Tom Genanekos, Owner of Jim's Coffee Shop, for exclusive right to sell food and beverage service at the Chuck Corica Golf Complex. (Golf)

4-K. Adoption of Resolution Authorizing Open Market Purchase from Sungard Pentamation, Bio-Key International and Omega Group Pursuant to Section 3-15 of the Alameda City Charter in the Amount of \$307,804 for Pentamation Finance Plus and Community Plus Software, Bio-Key Fire Records Management Software and Fireview Software. [Requires four affirmative votes];

- Adoption of Resolution Authorizing the Purchase of Storage Area Network System Using the State of California Department of General Services, Procurement Division, Competitive Bid Award; and
- Adoption of Resolution Authorizing the Execution and Delivery of a Master Equipment Lease-Purchase Agreement, an Escrow Agreement and Separate Equipment Schedules with Respect to the Acquisition, Purchase, Financing and Leasing of Certain Equipment for the Public Benefit; Authorizing the Execution and Delivery of Documents Required in Connection therewith; and Authorizing the Taking of all Other Actions Necessary to the Consummation of the Transactions Contemplated by this Resolution. (Finance)

5. REGULAR AGENDA ITEMS

5-A. Adoption of Resolution Appointing Morris H. Trevithick as a Member of the Economic Development Commission. (Real Estate/Land Development Seat)

5-B. Update on City's infrastructure investment and review of options to increase funding for preventative maintenance of infrastructure. (Public Works)

6. ORAL COMMUNICATIONS, NON-AGENDA (Public Comment)

Any person may address the Council in regard to any matter over which the Council has jurisdiction or of which it may take cognizance, that is not on the agenda.

7. COUNCIL COMMUNICATIONS (Communications from Council)

8. ADJOURNMENT

- For use in preparing the Official Record, speakers reading a written statement are invited to submit a copy to the City Clerk at the meeting or e-mail to: lweisige@ci.alameda.ca.us
- Sign language interpreters will be available on request. Please contact the City Clerk at 747-4800 or TDD number 522-7538 at least 72 hours prior to the Meeting to request an interpreter.
- Equipment for the hearing impaired is available for public use. For assistance, please contact the City Clerk at 747-4800 or TDD number 522-7538 either prior to, or at, the Council Meeting.
- Accessible seating for persons with disabilities, including those using wheelchairs, is available.
- Minutes of the meeting available in enlarged print.
- Audio Tapes of the meeting are available upon request.
- Please contact the City Clerk at 747-4800 or TDD number 522-7538 at least 48 hours prior to the meeting to request agenda materials in an alternative format, or any other reasonable accommodation that may be necessary to participate in and enjoy the benefits of the meeting.

UNAPPROVED MINUTES

MINUTES OF THE SPECIAL COMMUNITY IMPROVEMENT COMMISSION MEETING TUESDAY - - - NOVEMBER 15, 2005 - - - 7:27 P.M.

Chair Johnson convened the Special Meeting at 7:41 p.m. Commissioner deHaan led the Pledge of Allegiance.

ROLL CALL - Present: Commissioners Daysog, deHaan, Gilmore, Matarrese, and Chair Johnson - 5.

Absent: None.

CONSENT CALENDAR

Following discussion of the ERM-West Agreement [Paragraph no. 05-_____], Commissioner Daysog moved approval of the consent calendar.

Commissioner Matarrese seconded the motion, which carried by unanimous voice vote - 5.

[Items so enacted or adopted are indicated by an asterisk preceding the paragraph number.]

(*05_____) Minutes of the Special Joint City Council and Community Improvement Commission Meeting held on November 1, 2005. Approved.

(*05-_____) Recommendation to authorize the Executive Director to enter into an agreement with ERM-West, Inc. in an amount not to exceed \$194,320 to evaluate PAH contamination on a portion of the Fleet Industrial Supply Center Property.

Joan Konrad, Alameda, submitted a letter; stated that she was concerned with the Fleet Industrial Supply Center property development; urged the Council to consider mixed use of the property.

Commissioner Matarrese inquired whether the original testing was considered inadequate.

The Base Reuse and Redevelopment Division Manager responded in the affirmative; stated the Navy was willing to perform sampling which was sufficient for the contemplated non-residential reuse.

Commissioner Matarrese inquired whether precluding any residential use was a conservative approach, to which the Base Reuse and Redevelopment Division Manager responded in the affirmative.

Commissioner Matarrese inquired whether additional testing would necessitate mitigation and cleanup for the contemplated residential use.

The Base Reuse and Redevelopment Division Manager responded in the affirmative; stated additional sampling would be performed to augment the testing performed by the Navy; the sampling would be the first step in determining strategies and solutions.

Commissioner deHaan inquired whether additional remediation was needed for the present commercial use of the property and whether the Navy was obligated for cleanup.

The Base Reuse and Redevelopment Division Manager responded the Navy's responsibilities were concluded at the site; additional cleanup was not required for commercial uses.

Commissioner deHaan inquired who performed and paid for the testing, to which the Base Reuse and Redevelopment Division Manager responded the Navy.

Commissioner deHaan inquired why the City would pay the entire cost and not have Catellus share in the expense.

The Base Reuse and Redevelopment Division Manager responded that the Community Improvement Commission (CIC) has taken on the obligation as the property owner; a range of land use options would be available to pursue as a property owner.

Commissioner deHaan inquired who would pay for additional remediation costs.

The Base Reuse and Redevelopment Division Manager responded the CIC may decide to pay the costs or pass the costs on to a future developer; staff would bring the matter back to the CIC for a decision.

Commissioner Daysog moved approval of the Consent Calendar.

Commissioner Matarrese seconded the motion, which carried by unanimous voice vote - 5.

AGENDA ITEMS

None.

ADJOURNMENT

There being no further business, Chair Johnson adjourned the Special Meeting at 7:50 p.m.

Respectfully submitted,

Lara Weisiger
Secretary, Community Improvement
Commission

The agenda for this meeting was posted in accordance with the Brown Act.

CITY OF ALAMEDA
Memorandum

DATE: November 28, 2005

TO: Honorable Mayor and Councilmembers
Honorable Chair and Members of the Community Improvement
Commission
Honorable Chair and Members of the Alameda Reuse and
Redevelopment Authority

FROM: Debra Kurita
City Manager

RE: TRANSMITTAL OF:

- 1) CITY OF ALAMEDA COMPREHENSIVE ANNUAL FINANCIAL
REPORT (CAFR) FOR FISCAL YEAR ENDED JUNE 30, 2005
- 2) AUDITOR'S REPORT ON AGREED UPON PROCEDURES ON
COMPLIANCE WITH VEHICLE CODE SECTION 40200.3
PARKING CITATION PROCESSING
- 3) AGREED UPON PROCEDURES REPORT ON COMPLIANCE
WITH THE PROPOSITION 111 2004-05 APPROPRIATIONS
LIMIT INCREMENT
- 4) POLICE AND FIRE RETIREMENT SYSTEM PENSION PLANS
1079 AND 1082 AUDIT REPORT FOR FISCAL YEAR ENDED
JUNE 30, 2005
- 5) METROPOLITAN TRANSPORTATION COMMISSION GRANT
PROGRAMS FINANCIAL STATEMENTS FOR YEAR ENDING
JUNE 30, 2005
- 6) COMMUNITY IMPROVEMENT COMMISSION OF THE CITY OF
ALAMEDA, BASIC COMPONENT UNIT FINANCIAL
STATEMENTS, FOR THE YEAR ENDED JUNE 30, 2005
- 7) ALAMEDA REUSE AND REDEVELOPMENT AUTHORITY OF
THE CITY OF ALAMEDA, BASIC COMPONENT UNIT FINANCIAL
STATEMENTS, FOR THE YEAR ENDED JUNE 30, 2005

BACKGROUND

Transmitted herewith is the City of Alameda Comprehensive Annual Financial Report (CAFR) for the year ended June 30, 2005. The report, which is intended to be easily readable and efficiently organized, provides detailed financial information by which the Council, the public, including market analysts and investors, may assess the relative attractiveness of investing in Alameda as compared to alternative investment opportunities. Also transmitted are the auditors' reports on Agreed Upon Procedures for Compliance with

certain vehicle code provisions, the report on our compliance with the Proposition 111 calculation procedures, the Police and Fire Retirement System Pension Plans 1079 and 1082 and the Metropolitan Transportation Commission Grant Program Financial Statements for year ending June 30, 2005. Basic Component Unit reports for the Community Improvement Commission and Alameda Reuse and Redevelopment Authority are also being forwarded.

DISCUSSION/ANALYSIS

The CAFR report has three sections:

Introductory Section: This section contains the transmittal letter from the Chief Financial Officer, which highlights accomplishments and discusses economic conditions and outlook. This section also contains our awards for excellence in financial reporting from the Governmental Finance Officers Association of the United States and Canada and from the California Society of Municipal Finance Officers.

Financial Section: This section includes the auditors' opinion letter, the Management Discussion and Analysis, and the general purpose financial and supplemental combining statements. Budget to actual comparisons by fund can be found within these statements. Comparisons from one year to the next are also presented.

Statistical Section: This section includes a number of tables concerning city operations, demographic and miscellaneous information.

The Comprehensive Annual Financial Report (CAFR) is on file with the City Clerk and can also be reviewed at Alameda Free Library and its branches.

BUDGET/FISCAL IMPACT

The financial statements, supporting schedules, statistical tables and narrative explanations are presented to help assure that all financial data are presented in order to provide interested groups with all necessary information pertaining to City finances. These interested groups include the City Council, boards and commissions, oversight bodies, investors and creditors, grant or resource providers, taxpayers, employees and others.

The City of Alameda had net assets as of June 30, 2005 of \$262,611,897. This represents an increase of \$10,056,055 over the prior year. The total capital debt decreased by \$679,000 during this year.

The General Fund is the chief operating fund of the City of Alameda. At the end of 2004/05, the total fund balance was \$22,113,795. Loans and advances to other funds of \$6,065,209 are reserved from this amount leaving \$16,048,586 as unreserved. This full amount was designated by City Council policy for use for economic uncertainties. This policy was adopted by the City Council in December 1989.

At June 30, 2005, the Community Improvement Commission's governmental funds reported combined fund balances of \$39 million of which \$9.9 million is legally reserved and \$29.1 million is available to fund ongoing Commission operations and projects.

The Alameda Reuse and Redevelopment Authority at June 30, 2005, had \$6.1 million unreserved, undesignated fund balance.

RECOMMENDATION

These reports are presented for informational purposes only. The City Auditor, a representative from Maze and Associates, our external auditors, and the Chief Financial Officer will be available at the December 6, 2005 City Council meeting to answer questions and/or receive ideas from the City Council as to areas it would like emphasized during the 2005-06 audit cycle.

Respectfully submitted,


Juella-Ann Boyer
Chief Financial Officer

JAB:dl

Attachments (on file with City Clerk)

cc: City Auditor
City Treasurer
Maze & Associates

G:\FINANCE\COUNCIL\120704\CAFR04Trans.doc

CITY OF ALAMEDA

Memorandum

To: Honorable Chair and
Members of the Community Improvement Commission

From: Debra Kurita
Executive Director

Date: November 23, 2005

Re: Recommendation to Approve the Amended Contract with Komorous-Towey Architects, Inc. by Increasing the Contract Amount by \$68,200 to Provide Additional Architectural and Construction Administration Services for the Civic Center Parking Garage

BACKGROUND

The City of Alameda retained Komorous-Towey Architects (KTA), to develop revised designs for the facades of the proposed parking garage and cineplex located in the Park Street Business District at the corner of Oak Street and Central Avenue. The total amount allocated for KTA's initial scope of work was \$75,000 including a \$5,000 purchase order issued to expedite the design process.

The revised designs were accepted by the City Council on November 1, 2005. Based on acceptance of the designs by the City Council, City staff is proceeding with preparation and issuance of a bid document and, ultimately, with construction of the parking garage. City staff proposes an amendment to KTA's contract to provide additional support to the City in preparing its bid packet for the garage and in providing limited construction administration services as the designer of the garage. The proposed contract amendment is for \$68,200, resulting in a total contract amount of \$143,200. The amendment, including a copy of the original contract, is on file with the City Clerk.

DISCUSSION

The purpose of the contract amendment is for KTA to provide additional architectural services to the City related to the design and construction of the parking garage including:

- (1) preparation of a landscaping, lighting and exterior signage plan for the garage to be incorporated into the bid document;

**Report #1-C Joint CC, CIC,
ARRA
12-06-05**

- (2) resolution of outstanding technical issues pertaining to the "openness" of the structure, and structural building "drift" in the case of a seismic event, among other issues; and
- (3) provision of support to the City in reviewing final construction drawings and design submittals for the garage from the selected design-build contractor.

City staff recommends KTA prepare a landscaping, lighting and exterior signage plan instead of the professional architect on the design-build team so that the City maintains certain control over the quality of the design and construction of these important elements.

BUDGET CONSIDERATION/FINANCIAL IMPACT

This project will be funded by the 2003 Merged Area Bonds and will not impact the General Fund. Architectural fees for this scope of work will not exceed \$68,200 for a total contract amount of \$143,200.

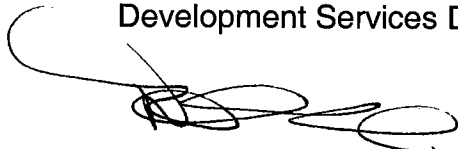
RECOMMENDATION

Approve the amended contract with Komorous-Towey Architects, Inc. by increasing the contract amount by \$68,200 to provide additional architectural and construction administration services for the Civic Center Parking Garage.

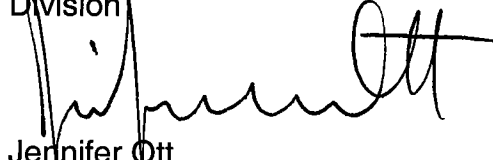
Respectfully submitted,



Leslie A. Little
Development Services Director



By: Dorene E. Soto
Manager, Business Development
Division



Jennifer Ott
Development Manager

DK/LAL/DES/JO:rv

cc: Komorous-Towey Architects, c/o Thomas J. Towey

Dedicated to Excellence, Committed to Service

CITY OF ALAMEDA
Memorandum

To: Honorable Mayor and
Councilmembers

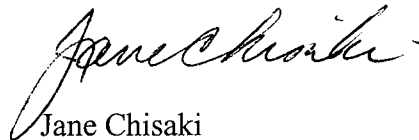
From: Debra Kurita
City Manager

Date: November 23, 2005

Re: New Main Library Project Update

Attached to this memorandum is the December 1, 2005, Library Construction Report.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Jane Chisaki".

Jane Chisaki
Acting Library Director

Attachment

Report 3-A
12-06-05

Library Construction Report

December 1, 2005

Construction

- The Library webcam will operate throughout the project. It is available on the Library's and the City's websites.
- Notice to Proceed was issued on March 14, with substantial completion scheduled for September 5, 2006.
- Structural Steel installation, bolting and welding completed on November 18th.
- AP&T utility under grounding started on November 14, 2005.
- Roof decking was completed on November 21st.
- First floor Overhead Mechanical, Fire, and Plumbing (MFP) to be completed by November 25th.
- Roof deck to be poured on December 1, 2005.
- Exterior brick installation delayed until December 2005 (no overall schedule impact).
- The structure is scheduled to be weathertight by January 2006.
- The project remains on schedule.

Furnishings and Equipment Procurement

- Final selection process for FF&E has begun.

Library Move

- Planning process for move has begun.

Library Opening

- The GRAND OPENING is now scheduled for November 2, 2006 at 11:00AM

Budget

- The budget report, including supplemental funding sources, is attached.

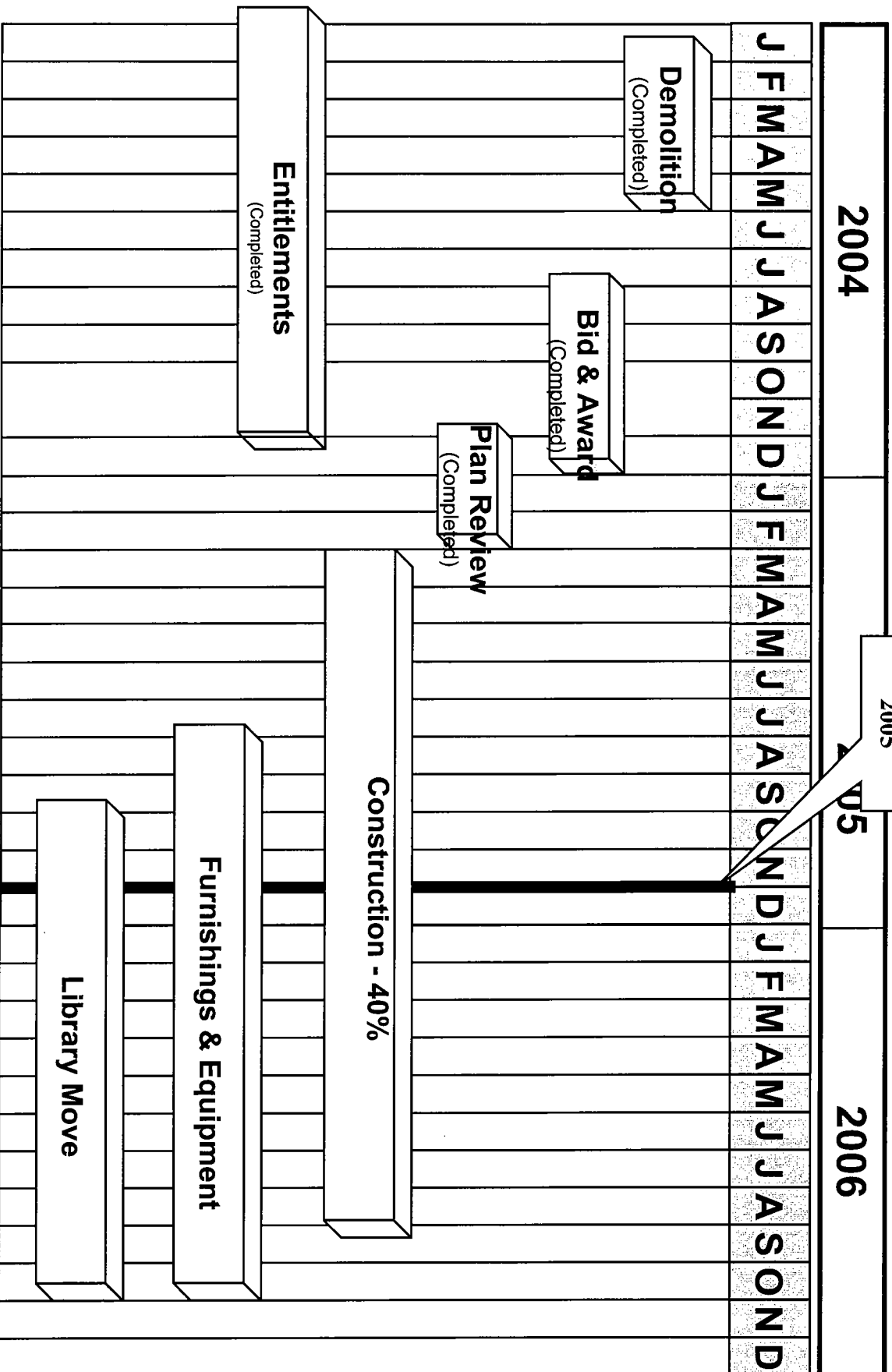
Budget for Alameda Free Library - New Main Library Project **Inception to date through the month of: October 2005**

Sources of Budgeted Funds		Budget
State Grant		\$15,487,952.00
Measure O		8,000,000.00
Contributions		10,000.00
Supplemental Funding:		
Interest Earned on Measure O Funds		160,000.00
Stafford Bequest		745,297.00
Redevelopment Funding		2,000,000.00
Additional Measure O Funds		670,000.00
Alameda County Waste Management Grant		75,000.00
Recycled Content Grant from Public Works		20,000.00
Sources Subtotal:		27,168,249.00
Expenditures to date:		11,290,377.00
Balance Available:		15,877,872.00
Change Orders:		
Total contingency		1,740,000.00
Change orders to date ¹		(146,796.00)
Current change order		72,602.00
Revised contingency amount		1,665,806.00

¹Up to \$95,000 in grant funding will be used to offset this change order

Status as of
December 1,
2005

Library Project Timeline



UNAPPROVED MINUTES

MINUTES OF THE SPECIAL CITY COUNCIL MEETING
TUESDAY - - - NOVEMBER 15, 2005 - - - 6:00 p.m.

Mayor Johnson convened the Special Meeting at 6:10 p.m.

Roll Call - Present: Councilmembers Daysog, deHaan, Gilmore,
Matarrese, and Mayor Johnson - 5.

Absent: None.

The Special Meeting was adjourned to Closed Session to consider:

(05-) Conference with Labor Negotiators - Agency Negotiators:
Craig Jory and Human Resources Director; Employee Organizations:
Executive Management Employees, International Brotherhood of
Electrical Workers, and Management and Confidential Employees
Association.

(05-) Conference with Legal Counsel - Existing Litigation -
Name of case: Citizens for a Megaplex-Free Alameda v. City of
Alameda, et al.

(05-) Conference with Real Property Negotiators - Property:
2900 Main Street; Negotiating Parties: City of Alameda and Alameda
Gateway, Ltd; Under Negotiation: Price and terms.

(05-) Conference with Legal Counsel - Existing Litigation: Name
of case: Mohlen & Skrinde v. City of Alameda.

(05-) Conference with Labor Negotiators - Agency Negotiators:
Marie Gilmore and Frank Matarrese; Employee: City Attorney.

Mayor Johnson called a recess to hold the Regular City Council
meeting at 7:30 p.m. and reconvened the closed session at 8:40
p.m.

Following the Closed Session, the Special Meeting was reconvened
and Mayor Johnson announced that regarding the Executive Management
Employees, International Brotherhood of Electrical Workers, and
Management and Confidential Employees Association, the Council
received a briefing from labor negotiators; regarding Citizens for
a Megaplex-Free Alameda v. City of Alameda, et al., the Council

received a briefing from Legal Counsel; regarding Conference with Real Property Negotiators, the Council received a briefing and no action was taken; and regarding the City Attorney, the Council gave direction.

Adjournment

There being no further business, Mayor Johnson adjourned the Special Meeting at 9:40 p.m.

Respectfully submitted,

Lara Weisiger
City Clerk

The agenda for this meeting was posted in accordance with the Brown Act.

UNAPPROVED MINUTES
MINUTES OF THE REGULAR CITY COUNCIL MEETING
TUESDAY - - NOVEMBER 15, 2005 - - 7:30 P.M.

Mayor Johnson convened the Regular City Council meeting at 7:49 p.m.

ROLL CALL - Present: Councilmembers Daysog, deHaan, Gilmore, Matarrese, and Mayor Johnson - 5.

Absent: None.

AGENDA CHANGES

None.

PROCLAMATIONS, SPECIAL ORDERS OF THE DAY AND ANNOUNCEMENTS

None.

CONSENT CALENDAR

Councilmember deHaan moved approval of the Consent Calendar.

Councilmember Matarrese seconded the motion, which carried by unanimous voice vote - 5.

[Items so enacted or adopted are indicated by an asterisk preceding the paragraph number.]

(*05-) Minutes of the Special City Council, Special Joint City Council and Community Improvement Commission, and Regular City Council Meetings held on November 1, 2005. Approved.

(*05-) Ratified bills in the amount of \$2,408,086.91.

(*05-) Recommendation to approve the purchase of three marked patrol vehicles from Film Vehicle Services in the amount of \$80,493. Accepted.

(*05-) Recommendation to approve an agreement with Holland & Knight, LLP in the amount of \$96,000 for federal legislative advocacy services. Accepted.

(*05-) Resolution No. 13908, "Approving Proposed Amendment to the 1986 Measure B Alameda County Transportation Expenditure Plan." Adopted.

(*05-) Resolution 13909, "Establishing Annual Free All-Day Parking, with a Three-Hour Maximum Per Car Per space, for the Webster Street and the Park Street Business Districts on December 3, 10, and 17, 2005." Adopted.

REGULAR AGENDA ITEMS

None.

ORAL COMMUNICATIONS, NON-AGENDA

(05-) Michael John Torrey, Alameda, wished everyone a happy thanksgiving.

COUNCIL COMMUNICATIONS

(05-) Consideration of Mayor's nominations for appointment to the Economic Development Commission (2 vacancies) and Recreation and Park Commission.

Mayor Johnson nominated Morris H. Trecithick to the Real Estate/Land Development seat of the Economic Development Commission and continued the Community at Large vacancy (EDC) and the Recreation and Park Commission vacancy.

(05-) Discussion of a proposal for the City of Alameda, as a participant in the Alameda County Lead Poisoning Prevention Program, to partially fund a survey to be used in analyzing the feasibility of increasing the County Service Area fee for lead abatement education and services.

Mayor Johnson stated that Supervisor Alice Lai-Bitker was present to provide the Council with information on the matter.

Supervisor Lai-Bitker stated that Mark Allen, Alameda County Lead Poisoning Prevention Program (ACLPPP) Board, was also available to provide the Council with information; ACLPPP has provided a great value in preventing lead poisoning among children; government jurisdictions have suffered from financial challenges and budget reductions; staff layoffs occurred during the current fiscal year; stated that there has not been a fee increase since the fee was adopted in 1991; now is a good time to examine an increase; pre-1978 homes currently have a \$10 assessment fee; stated ACLPPP would pay for the cost of an election.

Councilmember deHaan inquired how the cities of Oakland, Berkeley, and Emeryville responded to the request to partially fund the survey.

Supervisor Lai-Bitker responded that the City of Oakland would be approving the request.

Mr. Allen stated that the City of Emeryville would address the matter at its December 6 City Council meeting; the City of Berkeley was having a preliminary discussion tonight.

Councilmember Daysog inquired whether the survey questions would address only the lead abatement program.

Mr. Allen responded that the survey would provide a sense of what a palatable fee would be; results would determine whether to seek a two-thirds majority vote of the electorate or a simple majority of the property owners involved in the fee payment; Proposition 218 has certain requirements on how the election should be run; the property owners' vote would be weighted based on the number of units owned.

Councilmember Daysog stated there were unrelated add on questions regarding waste related issues when polls were conducted in the past; City dollars should be spent for the lead abatement poll and not for a candidate.

Mr. Allen stated that conducting a poll for a candidate would not be appropriate for a public agency.

Mayor Johnson inquired whether a list of the questions would be available, to which Mr. Allen responded in the affirmative.

Vice Mayor Gilmore stated there was a short timeframe if the poll results favor a 2006 General Election.

Supervisor Lai-Bitker stated the consultant intended to conduct the poll in December; the timeframe has been delayed; a mail-in ballot could be done in the spring.

Mr. Allen stated that conducting the poll was still a possibility at the end of December; the process has taken some time; stated he would inform the Council on the projected date.

Councilmember Daysog stated that he was concerned that the person potentially running the poll was the political consultant for the candidate he was running against.

Mayor Johnson stated that the Joint Powers Authority (JPA) had concerns about how the consultant selection process occurred and was not happy with the process.

Councilmember Daysog stated that ACLPPP has been a tremendous program for Alameda over the years.

Councilmember Matarrese inquired whether broadening the assessment district across the County would be tested in the poll, to which Supervisor Lai-Bitker responded in the affirmative.

Mayor Johnson stated that the matter was being reviewed by JPA.

Councilmember deHaan inquired whether the matter would be addressed in the survey.

Supervisor Lai-Bitker responded that the consultant would work with the pollster to plan the questions; she personally has been exploring the idea of expanding to the unincorporated areas; stated the County would contribute \$11,000 to the survey.

Mayor Johnson requested information on the description of the program, budget reduction impacts, and the benefits to Alameda if additional funding became available.

Mr. Allen stated that Alameda joined the lead abatement district in October, 1992; services include the prevention of lead poisoning, treatment of children identified with lead poisoning, and primary prevention; a free, one-day lead safe work practice training is provided to every property owner in the County Service Area; a free two-hour training is provided to any property owner interested in learning the basics of lead poisoning prevention; lead safe painting kits are provided; educational materials are provided to Alameda offices, libraries, and hardware and paint stores; ACLPPP works closely with the City's Housing Authority; the County Service Area fee allows the County to leverage \$19 million of federal Center for Disease Control and Environmental Protection Agency dollars to get Housing and Urban Development funds; financing has been available for the remediation of 32 pre-1978, low-income units; free risk assessment services have been eliminated; a State certified lead project designer works with property owners to identify the most cost-effective, safe way to address lead hazards; the service could be eliminated; risk assessments have been replaced with in-home consultations.

Councilmember Daysog inquired who would own the data, to which Mr. Allen responded ACLPPP.

Councilmember Daysog inquired what safeguards are in place to ensure that the data would not be used for another political race.

Mr. Allen responded that the County Counsel would review the contract; the County Auditor would monitor the money; the data would be provided to Alameda County and JPA Board of Directors.

Councilmember Daysog stated that he was concerned that information on a specific voter, at a specific address, with a particular issue could be used by a candidate; inquired who would own the data on an individual.

Mr. Allen responded that the question would need to be raised with County Counsel.

Councilmember Daysog inquired what safeguards are in place to ensure that Larry Tramutola would not use the data for another campaign and what would be done to ensure the data was available to everyone.

Mayor Johnson stated that Councilmember Daysog's concern was valid; inquired whether the data would be available to the four JPA cities, to which Mr. Allen responded that he would assume so.

Councilmember Matarrese stated that the data should be available to the general public because payment would be made by a public entity; public availability should be a provision of the City's participation in addition to only having lead abatement questions in the survey.

Councilmember Daysog inquired whether he was in conflict because he was in a political race and discussing a political consultant.

The Assistant City Attorney responded that nothing raised tonight would pose a conflict.

Councilmember Daysog stated that he would also check with the Fair Political Practice Commission on the matter.

Councilmember deHaan stated that the questions are valid; proposed safeguarding methods should be brought back to the Council.

Supervisor Lai-Bitker stated that a written reply would be provided to the Council.

Mayor Johnson inquired whether the City of Berkeley was voting tonight on the proposal to participate.

Mr. Allen responded that the matter was not an action item tonight.

Mayor Johnson inquired when the matter would be placed on the City

of Berkeley's agenda, to which Mr. Allen responded December 6.

Mayor Johnson inquired what would occur if one city did not agree to participate, to which Mr. Allen responded that he did not know.

Councilmember Matarrese stated that the requested reports should be provided to the Council before the matter was agendaized for action.

Councilmember deHaan inquired whether similar polling has been done in the past.

Supervisor Lai-Bitker responded that she was not aware of any.

Councilmember deHaan stated that he would assume that similar polling would be done continually.

Supervisor Lai-Bitker stated that similar polling has been done for County-wide issues.

Councilmember deHaan stated that some of the safeguards used in the past could be put into the contract.

Councilmember Daysog stated that there was overall support for the good work being done.

(05-) Councilmember Daysog stated that he was concerned with Bill Riley's comments which almost invited a terrorist attack in San Francisco; public officials need to take a stand and write a letter regarding possible implications.

(05-) Mayor Johnson stated that the Council attended the Bridgeside Shopping Center groundbreaking.

Councilmember Matarrese stated that Nob Hill Foods was coming to Alameda; construction has started; the property was being graded.

Mayor Johnson stated there have been a number of false rumors regarding the Bridgeside Shopping Center over the past few months; the previous owner's lack of interest in developing the property in a way the community desired was one of the complications; the project should be completed by Labor Day.

Councilmember deHaan stated the Webster Street Streetscape has been completed; Park Street would be completed tomorrow.

Councilmember Matarrese stated that the Bridgeside Shopping Center was one of the most positive projects in the City; he was on the Economic Development Commission with Councilmember deHaan when the

site was considered a blight; a local resident has expressed concern with semi trucks parked overnight at Blanding Avenue; garbage, boxes, and shopping carts are left on the street; the intersection of Blanding Avenue and Broadway is dangerous; efforts should be made to spruce up the area and review traffic.

Councilmember deHaan stated that Oakland has a problem with a growing street community near the Bridgeside Shopping Center and should be notified that the situation is not tolerable.

Councilmember Matarrese stated that the Port of Oakland has been trying to correct the situation.

Mayor Johnson stated that Alameda and Oakland police should work cooperatively on the situation.

Councilmember deHaan stated that attention needs to be given to activities on Clement Avenue and Grand Street.

(05-) Councilmember Daysog requested an update on the hiring process of vacant department head positions.

(05-) Mayor Johnson stated that Saturday's electronic recycling was a great success; money is made on the event; suggested increasing the event's scheduling to every six months.

ADJOURNMENT

There being no further business, Mayor Johnson adjourned the Regular Meeting at 8:32 p.m.

Respectfully submitted,

Lara Weisiger
City Clerk

The agenda for this meeting was posted in accordance with the Brown Act.

December 1, 2005

Honorable Mayor and Councilmembers:

This is to certify that the claims listed on the check register and shown below have been approved by the proper officials and, in my opinion, represent fair and just charges against the City in accordance with their respective amounts as indicated thereon.

Check Numbers

Amount

142604 - 143230	
EFT 152	2,739,161.99
EFT 153	1,708.00
EFT 154	1,360,580.00
EFT 155	264,450.82
EFT 156	110,340.86
EFT 157	25,610.00
EFT 158	1,762.00
	11,767.01

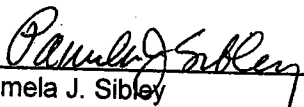
Void Checks:

142289	
142278	(376.50)
107225	(30.00)
111996	(25.00)
124673	(54.38)
124921	(25.00)
126154	(599.43)
126709	(9,360.00)
128761	(25.00)
140585	(312.50)
	<u>(294.35)</u>

GRAND TOTAL

4,504,278.52

Respectfully submitted,


Pamela J. Sibley

Item #4-C has been withdrawn from the Agenda.

CITY OF ALAMEDA

MEMORANDUM

Date: November 30, 2005

To: Honorable Mayor and
Councilmembers

From: Debra Kurita
City Manager

Re: Recommendation to Adopt the Ferry Short Range Transit Plan

BACKGROUND

In 2002, the Metropolitan Transportation Commission (MTC) established a requirement that agencies receiving Regional Measure 1 funds (RM1) adopt a Short Range Transit Plan (SRTP) covering an 11-year period. Agencies submitting an SRTP must also submit an annual mini-SRTP consisting of a spreadsheet-based report on service and capital plans, and update the entire SRTP every two years. The City receives both RM1 Five Percent unrestricted State Funds and Two Percent Bridge Toll Revenues to operate our two ferry services. In February 2005, the City contracted with Michael Fajans and Associates to develop the ferry SRTP for period 2006 through 2016. The SRTP presents a set of goals, objectives, and measures to be used to evaluate the City's ferry services and an operational plan based on the current service configuration. The Transportation Commission reviewed the SRTP in October 2005 and recommended that the City Council adopt the SRTP.

DISCUSSION

Currently, a number of Alameda conceptual and planning documents discuss the possible future relocation of the Alameda/Oakland Ferry Service (AOFS) to Alameda Point. These documents include the Draft Alameda Point Transportation Strategy, the Draft Alameda Point Preliminary Development Concept, the Alameda Point Reuse Plan and the Alameda Transit Plan (2001). As these plans are conceptual in nature, they do not specify when the relocation would take place, where the terminal would be, if the Alameda Harbor Bay Ferry (AHBF) would be interlined with the AOFS, the level of service to be provided or how relocation capital costs will be addressed. The City has also begun preliminary discussions with the San Francisco Water Transit Authority (WTA) on the assignment of our ferry services to the WTA. To date, Council has not determined that such a transfer will take place. For these reasons, this SRTP assumes a Basic Operation Plan under which both ferries continue (FY 2005) current levels of service and current destinations. Specifically:

Alameda Harbor Bay Ferry (AHBF): The AHBF will remain a peak-commute weekday service with three morning and four afternoon round trips. The financial projection assumes annual operating costs will increase 3.5 percent per year. The Plan notes that continued escalation of diesel fuel costs could make it difficult to hold the annual rate of cost increase to 3.5 percent.

Alameda/Oakland Ferry Service (AOFS): The AOFS will continue with the current level of service with departures every 60 to 65 minutes during weekday peak periods, and every 1.75 to

2 hours during midday, evening and weekend service hours. A second vessel is added during the afternoon commute, and serves SBC Park during evening and weekend Giants games. Other details include continued suspension of weekend service during January and February and an increase from six to nine departures per weekend day from May to October.

In addition to RM1 grants, the ferries receive funding from Measure B, the Port of Oakland (for the AOFS) and the Transportation Improvement Fund (for the AHBF). The SRTP concludes that these funding sources are adequate for the 11-year planning period based on the assumption that fuel prices stabilize and fare revenues increase by five percent per year for AOFS (two percent ridership growth and three percent fare increase) and three percent for AHBF with no ridership growth. The "no growth" assumption for the AHBF is a conservative planning assumption only. Last July, the City implemented a Marketing Action Plan designed to increase AHBF ridership and meet or exceed MTC's 40% Farebox Recovery Ratio (FRR) requirement. As a result, the AHBF has averaged a 47.3% FRR over the first four months of FY 2005/2006. The marketing program will continue to offer free rides to new ferry commuters through December. In addition, the City and the WTA have begun discussions on a spring 2006 advertising campaign designed to benefit both ferry services.

A copy of the Short Range Transit Plan is on file in the City Clerk's Office.

BUDGET CONSIDERATION/FINANCIAL ANALYSIS

There is no fiscal impact associated with this recommendation.

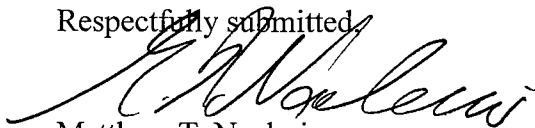
MUNICIPAL CODE/POLICY DOCUMENT CROSS REFERENCE

This action will not affect the Municipal Code.

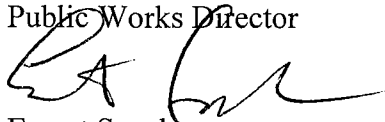
RECOMMENDATION

Adopt the City of Alameda Short Range Transit Plan.

Respectfully submitted,



Matthew T. Naclerio
Public Works Director



Ernest Sanchez
Ferry Manager

MTN:ES:gc

cc: Art Geen, Watchdog Committee
Steve Brimhall

G:\pubworks\pwadmin\COUNCIL\2005\120605\ ferry1.doc

City of Alameda Ferry Program



Short Range Transit Plan

FY 2006 - 2016

November 2005

Michael Fajans & Associates



City of Alameda Ferry Program

Short Range Transit Plan

FY 2006 - 2016

November 2005

Federal transportation statutes require that the Metropolitan Transportation Commission (MTC), in partnership with state and local agencies, develop and periodically update a long-range Regional Transportation Plan (RTP), and a Transportation Improvement Program (TIP) which implements the RTP by programming federal funds to transportation projects contained in the RTP. In order to effectively execute these planning and programming responsibilities, MTC requires that each transit operator in its region which receives federal funding through the TIP, prepare, adopt, and submit to MTC a Short Range Transit Plan (SRTP).

The preparation of this SRTP has been funded in part by a grant from the United States Department of Transportation (USDOT), through section 5303 of the Federal Transit Act. The contents of this SRTP reflect the views of the City of Alameda Ferry Program, and are not necessarily those of USDOT, the Federal Transit Administration, or MTC. The City of Alameda Ferry Program is solely responsible for the accuracy of the information presented in this SRTP.

City of Alameda City Council

Beverly Johnson, Mayor. Dec. 2002 to Dec. 2006

Marie Gilmore, Vice Mayor. Dec. 2004 to Dec. 2008

Tony Daysog, Councilmember. Dec. 2002 to Dec. 2006

Doug deHann, Councilmember. Dec. 2004 to Dec. 2008

Frank Matarrese, Councilmember. Dec. 2002 to Dec. 2006

City of Alameda Transportation Commission

John Knox White, Chair

Jeff Knoth

Michael Krueger

Robert L. McFarland

Pattianne N. Parker

Robert S. Ratto

Eric A. Schatmeier

City of Alameda City Staff

Debra Kurita, City Manager

Paul Benoit, Assistant City Manager

Mathew T. Naclerio, Public Works Director

Ernest Sanchez, Ferry Manager

Project Consultant Staff

Michael Fajans, Principal

Michael Fajans & Associates

Michael D. Setty, Principal

Carquinez Associates

Leroy W. Demery, Jr., Sr. Assoc.

Carquinez Associates

Table of Contents

Executive Summary.....	vi
1.0 Overview of Alameda & Oakland Ferry Services.....	1
1.1 History of Service.....	1
1.2 Governance and Organizational Structure.....	2
1.3 AOFS Service Description.....	4
1.4 AHBF Ferry Service Description.....	10
1.5 Fare Structure.....	13
2.0 Goals, Objectives & Policies	14
3.0 Service & System Evaluation.....	18
3.1 Alameda-Oakland Ferry Service.....	18
3.2 Harbor Bay Ferry.....	19
3.3 Meeting Goals, Objectives & Policies.....	21
3.4 Comparative Transit Statistics.....	26
4.0 Operating & Financial Plans	28
4.1 Basic Operational Plan	28
4.2 Meeting Goals, Objectives, & Policies.....	32
5.0 Capital Plan.....	37

List of Figures & Tables

Figure 1.1	Alameda to San Francisco Ferry Routes.....	2
Figure 1.2	Organization Chart, Alameda Ferry Program.....	3
Figure 1.3	Alameda-Oakland Ferry Service Schedule.....	5
Figure 1.4	AOFS Patronage Trends.....	6
Figure 1.5	Alameda Harbor Bay Ferry Schedule.....	10
Figure 1.6	HBF Patronage Trends.....	11
Table 1.1	Ferry Fares, Alameda/Oakland–San Francisco.....	13
Table 3.1	Alameda/Oakland Ferries: Recent Trends.....	18
Table 3.2	Harbor Bay Ferries: Recent Trends.....	20
Table 3.3	Comparative Transit Statistics, FY 2002-03.....	27
Table 4.1	Summary of Comparative Operating Budgets.....	31
Table 5.1	Ferry Program Capital Requirements.....	38
Table 5.2	Ferry Program Vessel Replacement Schedule.....	39

Appendices

A.	Detailed Ferry Ridership Patterns.....	40
Figure A.1	AOFS Westbound Trends, Weekdays.....	40
Figure A.2	AOFS Eastbound Trends, Weekdays.....	41
Figure A.3	AOFS Westbound Trends, Saturdays.....	42
Figure A.4	AOFS Westbound Trends, Saturdays July 2004.....	42

Figure A.5 AOFS Eastbound Trends, Saturdays.....	43
Figure A.6 AOFS Eastbound Trends, Saturdays July 2004.....	43
Figure A.7 AOFS Westbound Trends, Sundays.....	44
Figure A.8 AOFS Westbound Trends, Sundays July 2004.....	44
Figure A.9 AOFS Eastbound Trends, Sundays.....	45
Figure A.10 AOFS Eastbound Trends, Sundays July 2004.....	45
B. Detailed Financial Projections.....	46
Table B.1 Basic Operational Plan.....	47
C. 10-Year Ferry Maintenance Plan.....	48
Table C.1 10-Yr. Maint. Plan, Alameda/Oakland Ferry Service.....	49
Table C.2 10-Yr. Maint. Plan, Harbor Bay Ferry Service.....	50
D. Glossary of Terms & Acronyms.....	51
Bibliography & Websites.....	53
Persons Contacted.....	54

Executive Summary

The City of Alameda administers both the Alameda Harbor Bay and Alameda/Oakland Ferry services. The City provides public subsidy for the ferries from several sources including the Metropolitan Transportation Commission (MTC) administered Regional Measure 1 unrestricted State Funds and Two Percent Bridge Toll Revenue (RM1) grant programs. In 2002, MTC established a requirement that agencies receiving RM1 grants adopt a Short Range Transit Plan (SRTP) covering an 11-year period. The present SRTP meets the MTC SRTP requirement by a) evaluating the ferry services by a set of goals and objectives and b) projecting revenue and operating (and capital) expenses over an 11-year period. The financial plan is based on continuation of the current service configuration (“Basic Operating Plan”).

The Alameda/Oakland Ferry Service (AOFS) was established as an “emergency” measure following the Loma Prieta Earthquake on October 17, 1989. Service was continued with funding from the City of Alameda and Port of Oakland. Alameda’s Harbor Bay Ferry (AHBF), operated and administered separately from AOFS, was started in March 1992 to serve development on Bay Farm Island in southeast Alameda, including the expanding Harbor Bay development. The City of Alameda provides these services through purchase of service contracts with private carriers.

AOFS operates between terminals located at Main Street (“Alameda Gateway”) in Alameda, Clay Street in Oakland (at Jack London Square), and the San Francisco Ferry Building. Vessels also provide weekday and weekend service to Pier 41 at Fisherman’s Wharf in San Francisco. Seasonal service is provided to SBC Park in San Francisco for selected Giants baseball games and to Angel Island State Park. AOFS uses two vessels: the *M.V. Encinal* (388 passengers, 31 meters, 25 knots, launched 1986) and the *M.V. Peralta* (331 passengers, 32 meters, 25 knots, launched 2001). These vessels are operated and maintained under contract with Blue & Gold Fleet.

AHBF service operates weekday peak periods only between the Harbor Bay terminal in southeastern Alameda and the San Francisco Ferry Building. Most passengers commute to and from San Francisco, but AHBF also carries a small “reverse commute” to Harbor Bay Island. AHBF operates the *M.V. Bay Breeze* (250 passengers) as the primary vessel, and the Express II as a back-up vessel; they are operated and maintained by Harbor Bay Maritime, Inc. under contract.

AOFS currently carries about 1,400 daily passengers, and served 419,579 passengers in FY 2004 (July 2003–June 2004). About 65 percent of a.m. westbound peak period patronage originates in Alameda and 35 percent in Oakland. Most Monday-Friday midday ridership originates in Oakland; daily totals are divided about evenly between Alameda and Oakland. Oakland generates about 60-70 percent of weekend ridership. Patronage also varies seasonally. Monthly patronage is lowest during January and February. Since 2003, weekend service in January and February has been suspended as a cost savings measure.

AHBF patronage for Monday-Friday peak period only service averaged about 110,000–120,000 passengers per year, and 400–450 per weekday in Spring 2005.

Fares for ferry service are higher than those charged by AC Transit and BART for travel between Alameda or Oakland and San Francisco. The one-way fares in effect at mid-2005 (\$5.50, \$4.00 with a 20-ticket book for AOFS, \$6.00 and \$4.30 with a 20-ticket book on AHBF) includes free transfers to AC Transit and the San Francisco Muni (only with a ticket book for AOFS). In addition, the AOFS offers a 40-ticket book (\$150,000) and the AHBF offers a monthly pass (\$161,000). The majority of peak period passengers access the Alameda and Oakland terminals by automobile (either single-occupant or “drop-off), and the majority walk to their final destinations in San Francisco.

Total AOFS operating expense in FY 2004 was approximately \$3.1 million (\$577 per revenue vessel hour), including \$300,000 in City of Alameda overhead and administrative expenses. Passenger fares paid about 58 percent of operating expenses; Regional Measure 1 (RM1) bridge tolls and Alameda County Measure B sales-tax revenues provided the major sources of operating assistance. Total operating expense in FY 2004 increased 11.3 percent from the previous year; this reflected increased service, inflation and the significant increase in fuel prices. The farebox recovery ratio of 58 percent was a strong performance relative to the average for Bay Area transit services.

Total AHBF operating expense in FY 2004 was about \$1.4 million (\$876 per revenue vessel hour), including more than \$290,000 in City of Alameda ferry operating and administrative expenses. Passenger fares paid about 29 percent; the major sources of operating assistance were RM1 and Measure B. The farebox recovery ratio of 29 percent, up from FY 2003, was below the MTC threshold for bridge toll funding.

While explicit goals and objectives for Alameda’s ferry services have not been articulated in a previous formal plan, the operating contracts for both

ferry operations establish performance measures that serve as de facto goals, objectives, and policies/measures. This *SRTP* formalizes goals, objectives, and measures to be used to evaluate the services, demonstrates that these goals are being achieved and shows how they will be reached in the future. The goals are:

Goal 1: Develop a ferry service that functions as an efficient component of the transportation network. This includes ~~maintaining operating costs in cost~~expenses consistent with transit in line with industry standards and providing transit that achieves net operating subsidies per passenger comparable to other regional transit operators in the same corridor.

Goal 2: Provide transit service that effectively serves the community by generating high ridership, providing reliable, quality service, and assisting in achieving community objectives. This includes capturing a significant share of trips in the local transit market, connecting with other transit options, assisting the community in achieving ~~a transit~~ economic development goals and providing emergency back up capability. ~~and~~

Goal 3: Develop a ferry service that meets environmental requirements and the needs of transit dependent persons. This includes operating vessels that meets environmental standards and Americans with Disabilities Act mandates.

Under the Basic Operation Plan, both ferry services would continue providing the current (FY 2005) levels of service. AHBF would remain a weekday peak-commute period service with three morning and four afternoon round trips. AOFS would provide weekday and weekend service (though there is no weekend service in January and February). Seasonal service to SBC Park of Giants games and to Angel Island State Park would also continue.

The Basic Operation Plan financial projection assumes annual operating cost increases for both services of 3.5 percent per year. Continued rapid escalation of fuel expense would make it difficult to hold the annual rate of cost increase to 3.5 percent. Fare revenues are projected to increase by 5 percent per year for AOFS (2 percent ridership growth and 3 percent fare increase), and 3 percent for AHBF, with no ridership growth.

Under these scenarios, if fares are not raised an average of 3 percent per year, some combination of operational cost reductions, fare increase and/or service reductions will be required. The “no growth” assumption for the AHBF is a conservative planning assumption only. In July 2005, the City and the Bay Area Water Transit Authority implemented a Marketing Action

Plan designed to increase AHBF ridership and meet or exceed MTC's 40% Farebox Recovery Ratio (FRR) requirement for continued RM1 grant eligibility. As a result, the AHBF has averaged a 46.9% FRR over the first three months of FY 2005/2006. This first phase of the marketing effort will continue offering free rides to new ferry commuters through December 2005. Phase II of the effort will launch in Spring 2006.

Available funding sources appear adequate but with little margin for contingencies. Available capital funds over the 11-year period would support major vessel overhauls and terminal improvements, but would not support major investment for new vessels or facilities. If fuel prices continue to escalate rapidly, or if fare revenues do not increase at the rate anticipated, the result would be insufficient capital reserve funds within five years.

This SRTP envisions AHBF and AOFS operations continuing at current levels of service and to/from current destinations. However, a number of Alameda conceptual and planning documents discuss the possible relocation, at some time in the future, of the Alameda Main Street ferry service to Alameda Point. These documents include the Draft Alameda Point Transportation Strategy (APTS), the draft Alameda Point Preliminary Development Concept (APPDC), the Alameda Point Reuse Plan (APRP) and the Alameda Transit Plan (2001) (TP). For example, the TP makes the "long term" recommendation that the AOFS "would be relocated to the Seaplane Lagoon". The APTS envisions "a new ferry terminal...on the Seaplane Lagoon, replacing the existing Gateway Alameda terminal..." The APPDC calls for inclusion of a new ferry terminal in the proposed Transit Center on the Seaplane Lagoon. As these plans are conceptual in nature they do not specify when the relocation would take place, where the terminal would be, if the AHBF would be interlined with the AOFS, or the level of service that would be provided. Nor are there specific proposals on how relocation capital costs will be addressed. The City has also begun preliminary discussions with the San Francisco Water Transit Authority (WTA) on the possibility that the City might "assign" its ferry services to the WTA although the City has not made a formal determination that such a transfer will take place. For these reasons this SRTP assumes that the Basic Operating Plan will continue. The City will amend the ferry SRTP if it decides to relocate the Main Street terminal or assign its ferry services to the WTA.

Overview of Alameda & Oakland Ferry Services

1.1 History of Service

The Alameda/Oakland Ferry Service (AOFS) ~~was~~ started after to the Loma Prieta Earthquake ~~in on~~ October 17, 1989, in direct response to the ~~collapse~~ of a section ~~and nearly month-long closure of the San Francisco-Oakland Bay Bridge.~~ That evening, excursion vessel operators moved people across the Bay. ~~with vessels~~ By the following Monday, emergency funding had been secured and ~~ferries~~ were being operated ~~between the to the~~ San Francisco Ferry Building, ~~operating both from Oakland's~~ Jack London Square, ~~in Oakland~~ and a temporary terminal at the foot of Main Street in Alameda. ~~It was started by Red and White Fleet. After the initial emergency of the closed Bay Bridge, After reopening of the Bay Bridge, ferry the~~ service operated by Red and White Fleet with a fixed subsidy, was ~~maintained under the administration and support of the~~ continued, sponsored and funded by ~~the~~ City of Alameda, Port of Oakland, MTC, and Caltrans. ~~Midday and weekend service operates to Fisherman's Wharf in addition to the Ferry Building. Ferry service was also extended to Fisherman's Wharf.~~

In April 1991, ~~the operating contract was placed out to competitive bid, which was won by Blue and & Gold Fleet~~ Fleet was selected to operate the service by ~~competitive bid.~~ As public funding became available, a In 1994, a new 250-passenger vessel, the *M.V. Bay Breeze*, was purchased by the City of Alameda ~~using~~ state grants and ~~bridge toll funds,~~ and the operating contract was modified ~~to reflect the publicly owned vessel.~~ accordingly to reflect public ownership of the vessel. As AOFS ridership grew, a ~~used 400-passenger vessel was purchased from Blue & Gold~~ in 1997 and refurbished, and ~~larger vessels~~ a new larger vessel was constructed. ~~The ferry terminals in~~ were purchased and ~~terminal facilities in~~ Alameda, Oakland, and at the San Francisco Ferry Building were gradually improved. ~~Greater detail is provided in following sections. These improvements are discussed in greater detail in the body of this report.~~

Figure 1.1 illustrates ferry routes between Alameda, Oakland and San Francisco.

~~B.~~ **The Alameda Harbor Bay Ferry (AHBF)** ~~was initiated in~~ began service in March 1992. This new ferry route was ~~operated and initially funded~~ by Harbor Bay Maritime, a subsidiary of Doric Development, ~~owner of the Harbor Bay development of Alameda near Oakland International Airport. The peak~~ Peak-period ~~only ferry service between Harbor Bay and downtown San Francisco~~

~~originally was provided as a traffic mitigation element (as well as marketing strategy for the project) in the development agreement between Doric Development and the City of Alameda. service to the San Francisco Ferry Building was provided initially on a non-subsidized basis by Doric Development as part of the development agreement between the City of Alameda and Doric Development that provided ferry service as a traffic mitigation element (as well as marketing element) for a portion of the Harbor Bay Development.~~

The initial development agreement called for unsubsidized service for three years through 1995, which was later extended ~~to six~~ three additional years until (1998) in exchange for the City providing a publicly funded publicly vesselvessel. A simple terminal with a 250-space parking lot was built on the northwestern shore of Bay Farm Island. As with the other ferry route serving Alameda, a ~~privately~~ private, leased vessel was replaced by the M.V. Express II and then the M.V. Bay Breeze ~~once a suitable~~, larger vessel was available for the AOFS route.

Figure 1.1 Alameda to San Francisco Ferry Routes



1.2 Governance and Organizational Structure

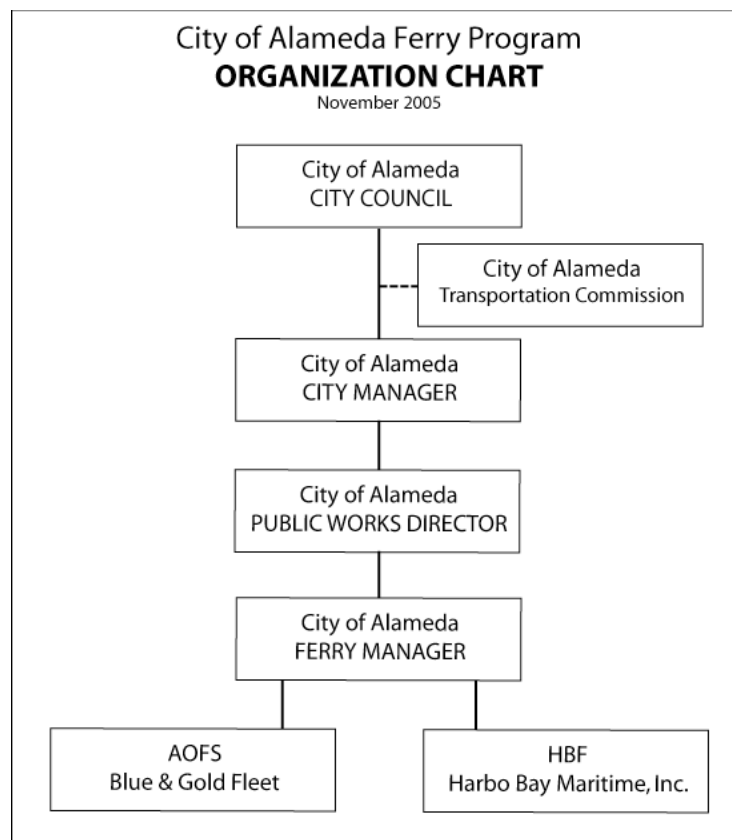
The City of Alameda provides ferry services through purchase of service contracts with private carriers. The Alameda City Council awards ferry operator

contracts, and approvals [operating and capital budgets, fares, and service changes](#). The City Council is advised by Alameda Transportation Commission, which is charged with advising Council on transportation policy as well as monitoring the implementation of approved transportation plans and policies. The Transportation Commission consists of seven members, who are appointed by the City Council. Commissioners are selected to represent a variety of transportation modes and be balanced between commuter, business, and recreational use. ~~Final~~

The AOFS is operated by Blue and Gold Fleet (BGF) under a cost plus fixed fee contract. The City has the option of extending the BGF contract in increments of one year for up to three additional years but not beyond June 30, 2009. The AHBF is operated by Harbor Bay Maritime (HBM) under a fixed subsidy contract. The City has the option of extending the HBM contract for up to three one-year terms up to an ultimate termination date of June 30, 2009.

Ferry service is administered and managed by ~~Staff in the~~ Public Works Department [staff](#) under the direction of the City Manager. Figure 1-2 below is an Organization Chart for the City of Alameda Ferry Program.

Figure 1.2 Organization Chart, Alameda Ferry Program



The Port of Oakland has ~~Port Authority annually makes a financial contribution contributed~~ annual financial support to operation of the AOFS route, including operations and maintenance of the ~~to the operations and provides the Oakland-Clay Street ferry terminal dock near Jack London Square, and provisions for free parking by ferry patrons in the Port's for the ferry service, as well as parking in the~~ Washington Street parking structure. ~~The agreement between the~~ The Port of Oakland has agreed to provide an annual financial contribution and the Clay Street ferry dock facility, while the and City of Alameda ~~states that Alameda administers the service and Oakland provides the facilities and financial contribution to assist.~~ has the primary responsibility to administer and obtain funding for ferry service. In 2004, the Port of Oakland financial contribution was changed to a “fee for service agreement.”



1.3 AOFS Service Description

~~This service connects two terminals, one at the foot of Clay Street in Jack London Square, another on Main Street in Alameda (Gateway), with the San Francisco Ferry Building. Off peak trips also serve the Fisherman's Wharf area in San Francisco.~~ Alameda-Oakland Ferry Service (AOFS) serves four terminals on a daily basis:

1. The foot of Clay Street in Oakland, two blocks from the center of Jack London Square;
2. Main Street in Alameda (“Gateway”);
3. The San Francisco Ferry Building; and
4. Pier 41 at Fisherman’s Wharf (during midday and weekends).

In addition, limited seasonal service is provided to SBC Park for selected Giants games and to Angel Island State Park. ~~Table _____ shows the~~The current weekday and weekend schedule for ~~the~~AOFS ~~is shown in~~ Figure 1.3 on the next page. The current round trip (cycle) time is 65 minutes for ~~a single one~~ vessel operating ~~on the service is 65 minutes~~between the Ferry Building, Alameda Gateway, and Clay Street. This scheduling pattern is reflected in morning peak period departures from Oakland, ~~(when trips are only made to the Ferry Building), so the at 6:00 a.m., 7:05 a.m., 8:10 a.m., and 9:15AM-15 a.m. departures from Oakland reflect the schedule that results when one vessel is operating the schedule. Only one vessel is needed to operate this timetable.~~

The present weekday schedule has 13 departures from Oakland Clay Street and Alameda Main Street, 12 departures from the San Francisco Ferry Terminal, and five departures from Pier 41 at Fisherman's Wharf. A second ("tripper") vessel is used for one round trip a day, starting at Pier 41 and departing the Ferry Building at 5:45 ~~Pmp.m.~~, thus ~~permitting providing~~ a total of two ~~trips~~ departures from San Francisco to Alameda and Oakland during the peak PM hour (5:20 and 5:45 p.m.). ~~On weeknights when there are~~When there are weeknight Giant's baseball games at SBC Park, the tripper vessel stops at the SBC Park ferry terminal before returning to Pier 41~~returns to Pier 41 via SBC Park, and then provides a post-game return to Alameda and Oakland. This vessel also provides return ferry trips from SBC Park to Oakland and Alameda after night games are concluded. Until budgetary issues a recent budget shortfall constrained the amount of service forced service reductions in 2003, a the tripper was used to make~~made one or two additional morning peak commute trips, offering approximate 30-minute headways (30 and 35) instead of the current ~~65-65~~-minute headways.

Figure 1.3 Alameda-Oakland Ferry Service Schedule

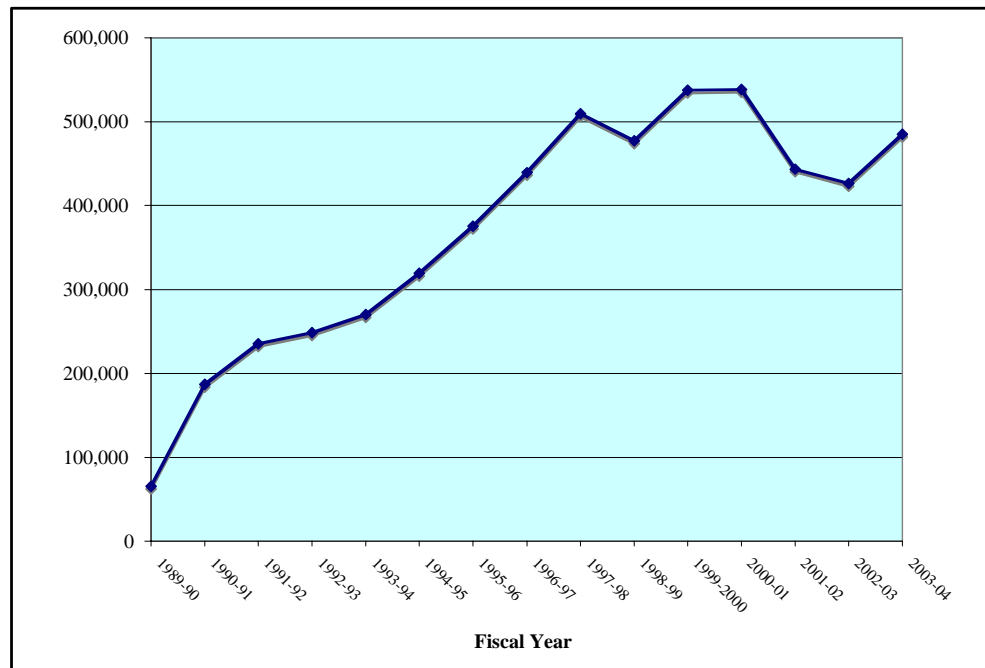
Weekdays				Summer Weekends			
Weekdays To San Francisco				Weekends To San Francisco			
Effective May 23, 2005 through October 28, 2005				Summer - Effective May 21, 2005 through October 30, 2005			
Leave Oakland	Leave Alameda	Arrive Ferry Building	Arrive Pier 41	Leave Oakland	Leave Alameda	Arrive Ferry Building	Arrive Pier 41
6:00	6:10	6:30●	--	9:00	9:10	--	9:35+
7:05●	7:15●	7:35●	--	10:40	10:25▲	11:10	11:25
8:10●	8:20●	8:40●	--	12:20 pm	12:10▲	12:50	1:05
9:15●	9:25●	9:45	10:00●	1:55	1:45▲	2:25	2:40
11:00●	10:50▲●	11:30	11:45●	4:00	3:45▲	4:30	4:45
12:45 pm●	12:35▲●	1:15	1:30●	5:45	5:30▲	--	6:20
2:30●	2:20▲●	3:00	3:10●	7:20	7:05▲	7:50	8:05
4:40●	4:30▲●	5:10	--	8:55★	8:45★	9:20★	9:30★
5:50●	5:40▲●	6:15	--	10:30	10:20▲	--	11:00
6:20●○	6:10▲●○	--	7:00○	Weekends From San Francisco			
6:55●	6:45▲●	7:20	--	Summer - Effective May 21, 2005 through October 30, 2005			
7:55●	7:45▲	8:20	--	Leave Pier 41	Leave Ferry Bldg	Arrive Alameda	Arrive Oakland
8:55●	8:45▲	--	9:25	8:30 am●	--	9:10	9:00
○ On Giants weekday game nights, these departures first go to SBC Park then continue to Pier 41.				9:45	10:00	10:20	10:35
Weekdays From San Francisco				11:35	11:50	12:10 pm	12:20
Effective May 23, 2005 through October 28, 2005				1:10 pm	1:25	1:45	1:55
Leave Pier 41	Leave Ferry Bldg	Arrive Alameda	Arrive Oakland	2:50■	--	3:45	3:55
--	6:30+●	7:15●	7:05●	4:55	5:10	5:30	5:40
--	7:35+●	8:20●	8:10●	6:30	6:45	7:05	7:15
--	8:40+●	9:25●	9:15●	8:10★	8:25★	8:45★	8:55★
10:15	10:30	10:50●	11:00●	9:40	9:55	10:15	10:25
12:00 pm	12:15	12:35●	12:45●	+ Connects with 9:45 am Pier 41 departure to Angel Island. ■ To the East Bay via Angel Island State Park			
1:45	2:00	2:20●	2:30●				
3:45	4:10	4:30●	4:40●				
--	5:20	5:40●	5:50●				
5:20	5:45	6:10●	6:20●				
--	6:25	6:45●	6:55●				
--	7:25	7:45●	7:55●				
--	8:25	8:45●	8:55●				
Connects with service to Alcatraz. Call Blue & Gold Fleet for Schedule (415) 705-5555. ▲ To S.F. via Oakland - ● To Alameda via Oakland ● Ferry departs immediately after loading. ★ On July 4th, this run canceled for fireworks. All times are estimates. Purchase tickets onboard the ferry. PM departures are in bold.							

The weekend schedule fluctuates seasonally, The level of weekend service varies on a seasonal basis, with the exception that it is suspended during the rainy months of January and February due to low ridership. and as a result of low ridership during rainy winter periods, is currently suspended during January and February. The current spring and fall schedules offers six round trips between 9:15 AM and 7:10 PM, including a trip via SBC Park during weekend day games, and the summer schedule provides three additional round trips. All weekend trips operate from Oakland and Alameda to both the Ferry Building and Pier 41. On summer weekends, an additional morning trip to Angel Island

and afternoon return is provided to Angel Island State Park, to from -Alameda and Oakland.

As illustrated in Figure 1.4 below, AOFs patronage grew steadily during the 1990's, peaking in FY 2000-01, declining through FY 2002-03, and recovering somewhat in FY 2003-04.

Figure 1.4 AOFs Patronage Trends



~~is added to the schedule.~~ **Access – Oakland Jack London Square, Oakland.** The Oakland Ferry Terminal is located at the foot of Clay Street, two blocks west of ~~of Broadway and at the northwest end~~ the heart of Jack London Square at the foot of Broadway. ~~; a commercial/retail district located at the Oakland Inner Harbor at the foot of Broadway.~~ The area ~~is a major destination, with~~ Jack London Square is a major commercial and entertainment district, offering restaurants, small shops, entertainment ~~night clubs,~~ a nine-screen movie theater, several hotels and motels, and office space.

Although the Clay Street ferry terminal is located near downtown Oakland, vehicular access is limited. The ~~ferry~~ terminal is separated from ~~the~~ downtown ~~and the main residential neighborhoods~~ by the elevated I-880 freeway ~~structure~~ and the Union Pacific Railroad tracks. ~~—, which operate in the street a block north.~~ Four AC Transit lines (11, 58, 59, and 72/73) ~~have~~ stops within two blocks of ~~the ferry terminal~~ the Clay Street dock. These ~~buses operate daily, with routes operate with ten~~ 10 to 30 minute headways during ~~the~~ peak periods.

~~and less frequently during the midday and weekends. Service is also provided on weekends.~~ The Oakland Amtrak Station is located six blocks southeast of the Clay Street dock~~from the ferry terminal~~, at Jackson Street and the Embarcadero. The nearest BART City Center Station~~Bay Area Rapid Transit (BART) station, 12th Street – City Center~~, is located approximately 3/4 mile away~~at 11th Street and Broadway, approximately 3/4 of a mile from the ferry terminal~~.

.

~~Validated parking for ferry passengers is provided at the Washington Street garage, which has approximately 1000 spaces. This parking facility operates at or near capacity, especially in the evenings and on weekends. This is not a constraint for ferry commuters, but can constrain midday and weekend patronage. Additional off-street parking is provided nearby, but also operates near capacity. Ferry passengers can park at no charge in the Port of Oakland's 1,000-space Washington Street garage with validation obtainable only on the vessels (except for SBC Park service).~~

Access - Alameda (Main Street/Alameda Gateway). The Alameda Gateway Ferry Terminal is located at 2990 Main Street, near the northeast corner portion of the City of Alameda, along the Oakland Inner Harbor. ~~The ferry terminal is situated~~This location is on the north side of the former between the former U.S. Naval Air Station (NAS) Alameda (now called "Alameda Point") and the Alameda Gateway site, at the end of Main Street. Oakland Inner Harbor channel. New homes are under construction at the~~near the Gateway site~~terminal, with 485 new homes planned for the site along adjacent to Atlantic Avenue. ~~The terminal contains~~Terminal facilities include parking, a lighted waiting shelter, restrooms, newspaper stands, bicycle lockers, and uncovered benches. A canopied walkway leads to the loading platform. A dedicated bus-only lane is provided inside the parking lot, providing direct access to the drop-off area at the front of the terminal facility.

Main Street provides the primary vehicular access to the ferry terminal, running north-south, just to the east of the Alameda Point area. The access route to the ferry terminal from the City of Alameda is Main Street, which runs in the north-south direction. The primary east-west streets in the city, such as Atlantic, Buena Vista, Lincoln, and Encinal/Central Avenues all connect with to Main Street. AC Transit's Line Route 63 provides feeder bus service to the~~serves the Alameda~~-Main Street ferry terminal, operating between Alameda Point, Central Alameda, and the Fruitvale BART station. Route 63 operates every 30 minutes between 6:00 a.m. and 12:15 a.m.~~with a route that connects Alameda Point to other points in Alameda and eventually to the Fruitvale BART Station. It operates at 30 minute headways from 6AM to 12:15AM.~~ However, because

~~Because the ferries operate on differing headways during the day, such as every 65 minutes during the morning peak, some ferry arrivals and departures are well coordinated with AC Transit service but others are not. ferry headways do not operate on a regular hourly schedule, some trips are well coordinated with bus arrivals or departures, and others are not.~~ For example, north-bound inbound bus arrivals at the Main Street terminal are eight minutes, 13 minutes, 18 minutes, and 23 minutes, respectively, before the morning peak period ferry departures to San Francisco. Afternoon connections work better: southbound Line 63 buses depart 18, eight, three, and three minutes after scheduled ferry arrivals.

Free parking is provided at the ferry terminal. Initially, 200 paved spaces were provided, which was later increased to 350 spaces. On a typical springtime commute day, parking lot occupancy is about 80 percent of capacity. Parking demand has been growing recently, reflecting the Bay Area's gradual economic recovery after the "dot.com" bubble and the events of September 11, 2001. A total of 8 bicycle lockers are also provided at the Main Street terminal.

The Alameda Reuse and Redevelopment Authority (ARRA) recently completed the NAS Alameda *Community Reuse Plan*, which includes many proposed land use and circulation changes. Implementation would provide new linkages to an upgraded Main Street, and potential development of several thousand new housing units (over 5-10 years), which may significantly increase ferry patronage to/from San Francisco.

Access - San Francisco Ferry Building. Both ferry services use the "South Terminal" Gate E at the San Francisco Ferry Building located at the foot of Market Street. The Ferry Building is accessible by most San Francisco Municipal Railway (Muni) routes, including the F-Line streetcar, California Street cable car, and "Muni Metro" via the joint BART/Muni Embarcadero subway station. For AOFS patrons, a free Muni transfer is provided for those who purchase multi-ticket books. The Ferry Building was recently renovated and reopened in 2003, and includes food stalls, restaurants, and a farmer's market. Nearly 300,000 jobs are located in downtown San Francisco within a 10-15 minute walk of the Ferry Building.

Facilities/Vessels. In 1994, the 250-passenger, 25-knot *M.V. Bay Breeze* was acquired with a \$3.25 million Proposition 116 state grant, replacing a smaller and slower vessel. Within three years, the *Bay Breeze* proved too small for some afternoon and weekend trips, and was transferred to the Harbor Bay route.

The AOFS service presently uses two vessels: the 388-passenger, 31-meter, 25-knot *M.V. Encinal* originally launched in 1986, and the 331-passenger, 32-meter, 25-knot *M.V. Peralta* launched in 2001. The *Encinal* has racks for 16 bicycles; the *Peralta* is equipped to carry 18 bicycles. The City of Alameda and Port of

Oakland purchased the *M.V. Encinal* from Blue & Gold Fleet after its rehabilitation and re-engining, which required a hull lengthening to accommodate larger engines and provide better performance under large load conditions. The \$2.6 million *Encinal* conversion was funded by Alameda County sales tax (“Measure B”) revenues, through an exchange of funding with another agency. Petroleum Violation Escrow Account (PVEA) funds, a one-time source obtained from legal settlements with oil companies, were also used to complete the *Encinal* conversion project.

Each terminal consists of a floating barge with covered gangways providing weather protection and ADA access between the barge, subject to tidal fluctuation, and fixed shoreline. In Oakland, a straight, covered gangway extends from the fixed linear pier, connecting to a small sheltered area adjacent to the green lawn in front of the Port Authority building.

Vessel operation and maintenance is provided under a cost plus fixed fee contract with Blue and Gold Fleet of San Francisco. The docks in Oakland, Alameda, and at the San Francisco Ferry Building are owned and managed by each respective agency, while the Pier 41 dock at Fisherman’s Wharf is leased long-term from the Port of San Francisco by Blue and Gold Fleet. Vessel maintenance and overnight docking is provided at the Blue and Gold Fleet maintenance base at Pier 9 in San Francisco.

Patronage. AOFS patronage steadily increased through the 1990’s, peaking at 538,645 passengers during Fiscal Year 2000-01. Thereafter, ferry patronage declined to 427,000 riders in FY 2002-03, reflecting the Bay Area’s economic recession. Ridership also declined on BART, AC Transit, and on the Vallejo Baylink and Golden Gate ferries; highway traffic counts and related congestion also declined significantly.

At June 2005, AOFS weekday patronage averaged 1,300 to 1,400 trips; average weekend patronage is approximately 1,200 per day. During commute periods, 65 percent of ridership originates in Alameda and 35 percent in Oakland. Overall weekday patronage is split about 50-50 between Oakland and Alameda, but weekend ridership is dominated by Oakland, which generates 60-70 percent of weekend totals. Like other ferry services, patronage patterns also vary by season. January and February have the lowest ridership; weekend service has been canceled those two months as a result. The heaviest patronage occurs June through October. Weekend ridership varies from a low of 600 passengers per day in November to as high as 1,400-1,500 daily passengers in spring and summer.

~~See Table 2.1 and Appendix~~ [Please refer to Appendix A](#), Detailed Ridership Trends, for additional details on ridership trends.



1.4 Alameda Harbor Bay Ferry Description

The 8-nautical mile AHBF route operates from Bay Farm Island in the southeastern portion of Alameda, immediately north of Oakland International Airport, to the San Francisco Ferry Building. AHBF also uses the South Terminal Gate E at the Ferry Building. Service is provided during weekday peak periods only, with the vast majority of the riders commuting to downtown San Francisco. There is also a small “backhaul” of San Francisco residents commuting to Harbor Bay Island. The AHBF schedule is shown in Figure 1.5 below.

Figure 1.5 Alameda Harbor Bay Ferry Schedule

SCHEDULE

ALAMEDA HARBOR BAY FERRY Alameda to San Francisco		ALAMEDA HARBOR BAY FERRY San Francisco to Alameda	
Commuter Service Monday through Friday		Commuter Service Monday through Friday	
Harbor Bay Isle to San Francisco		San Francisco to Harbor Bay Isle	
Leave Harbor Bay	Arrive Ferry Plaza	Leave Ferry Plaza	Arrive Harbor Bay
6:30 am	6:55 am	7:00 am	7:25 am
7:30 am	7:55 am	8:00 am	8:25 am
8:30 am	8:55 am	4:35 pm	5:00 pm
	4:30 pm	5:35 pm	6:00 pm
5:05 pm	5:30 pm	6:35 pm	7:00 pm
6:05 pm	6:30 pm	7:35 pm	8:00 pm
7:05 pm	7:30 pm		

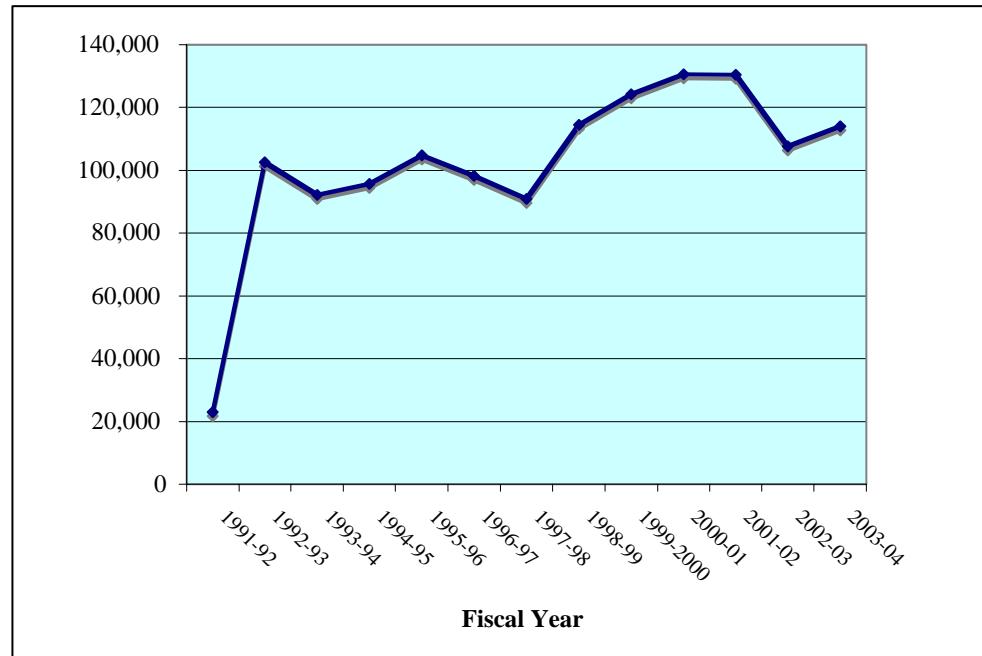
Holiday Schedule for 2005 is as follows

Martin Luther King Day	Monday, January 17th
President's Day	Monday, February 21st
Memorial Day	Monday, May 30th
Independence Day	Monday, July 4th
Labor Day	Monday, September 5th
Thanksgiving Day	Thursday, November 24th
Day After Thanksgiving	Friday, November 25th
Christmas Day	Monday, December 26th (Observed)
New Year's Day	Monday, January 2nd, 2006 (Observed)

As illustrated in Figure 1.6 below, AHBF patronage grew steadily during the 1990's, peaking in FY 2000-01, declining through FY 2002-03, and recovering

slightly in FY 2003-04. In this respect, the Alameda Harbor Bay Ferry paralleled the Alameda/Oakland Ferry Service.

Figure 1.6 AHBF Patronage Trends



See Appendix A, Detailed Ridership Trends, for additional ridership data.

Access – Bay Farm Island. Two roadways provide access to the Harbor Bay ferry terminal: (1) Harbor Bay Parkway connecting to the main part of Alameda via Doolittle Drive and the Otis Street Bridge; and (2) Doolittle Drive and the recently completed Ron Cowan Parkway across a portion of Oakland International Airport that connects to 98th Avenue and I-880, connecting to southern Oakland and San Leandro.

Mecartney Road connects the Harbor Bay ferry terminal to the primarily residential area on the northwest corner of the Bay Farm Island. Some residential neighborhoods are within walking distance to the terminal and a walking/bicycle path runs along Shoreline Park, parallel to Harbor Bay Parkway.

AC Transit Line 50 stops at the ferry terminal. The route runs between the Fruitvale and Coliseum BART stations, with stops at Oakland Airport, along Harbor Bay Parkway, and the residential areas of Bay Farm Island and along Fruitvale Avenue on the main island of Alameda. The service is timed to meet the arrivals and departures of the ferry for both the morning and evening

service, with southbound trips stopping at the ferry terminal 7-10 minutes before morning departures to San Francisco, and late afternoon-evening departures northbound 6-9 minutes after the ferry arrives from San Francisco. AHBf patrons also receive a free Muni transfer with their ticket.

Parking is provided at the ferry terminal, with approximately 250 free parking spaces. On a typical commute day in the spring, the parking lot operates at approximately 60 to 70 percent of capacity. The Harbor Bay terminal also includes a total of 10 freestanding bicycle racks.

Facilities/Vessels. This service has a modest functional terminal on the west side of Bay Farm Island. A simple glass shelter and accessible floating dock are adjacent to the parking lot. The fixed pier, gangway, and dock lack weather protection.

Several vessels have been used on the Harbor Bay route since 1992. Initially, the service was operated by a leased 200-passenger monohull. A 32-knot, 149 passenger, 5-bicycle capacity catamaran (*M.V. Express II*) was acquired in 1994 at a cost of \$1.3 million, using a \$1.1 million Proposition 116 grant. From the beginning, this vessel experienced significant mechanical problems, and Alameda used grant funds for its rehabilitation. When the *M.V. Encinal* was purchased for the AOFS route, the 250-passenger, 15-bicycle capacity *M.V. Bay Breeze* was shifted to this service and is now the primary vessel used on the AHBf route. The refurbished *Express II* serves as a back-up vessel.

Harbor Bay Maritime, Inc. provides ferry service under a fixed subsidy contract with the City of Alameda. Harbor Bay Maritime operates and maintains the vessels at Pier 48 in San Francisco. Like the AOFS service, this San Francisco location requires significant amounts of “deadheading” at the beginning and ending of the service day for ferry trips originating in the East Bay.

Patronage. This service operates only during weekday peak periods, with three morning trips to San Francisco with two returns, and four afternoon peak trips from San Francisco. In Spring 2005, annual patronage is averaging about 110,000-120,000 passengers, approximately 400-450 per weekday. Each ferry trip carries between 80-120 passengers per trip in the peak direction, with a handful of commuters in the non-peak direction. [Table 1.2 summarizes key trends for the Alameda Harbor Bay ferry service.](#)

In June 2004, the Harbor Bay dock was severely damaged by a storm. Consequently AHBf service was suspended from June through September 2004 while repairs were made.

1.5 Fare Structure

The current fare structure for both services is shown in Table 1.1 below. All fares include transfers to AC Transit and the San Francisco Municipal Railway (with the exception of those purchasing individual trip tickets on the AOFS). The majority of riders drive or are dropped off at the Alameda terminal and walk to their destination in San Francisco although a recent survey indicated 31% of AHBF patrons ride San Francisco Muni.

Table 1.1 Ferry Fares, Alameda/Oakland-San Francisco

Category	Alameda-Oakland	Harbor Bay (eff. July 05)
Adults	\$5.50	\$6.00
Juniors (5-12 yrs)	\$2.75	\$2.85
Children under 5	Free	Free
Seniors/disabled	\$3.25	\$3.45
Active military	\$4.25	\$4.65
10-ticket book	\$4.50	\$4.88
20-ticket book	\$4.00	\$4.30
40-ticket book	\$3.75	n.a
Monthly pass	n.a	\$4.02
<i>AC Transit Transbay</i>	<i>\$3.00</i>	<i>\$6.00</i>
<i>BART from Oakland to SF</i>	<i>\$2.55</i>	<i>\$5.10</i>

A group rate fare is offered to school groups on the AOFS - \$3.50 round trip. While ticket books provide discounts from the one-way fare, all fares for ferry service from Alameda and Oakland are considerably higher than AC Transit and BART transbay fares from Oakland. The combined AC Transit and BART fare from Alameda via Oakland to San Francisco is less than \$4, still lower than the one-way adult ferry fare and equivalent to the 20-ticket book fares.

The Alameda-Oakland Ferry Service and Harbor Bay Ferry will be incorporated into the TransLink regional transit fare system in a later implementation phase. However, a budget has not yet been determined.

Goals, Objectives & Policies

Most transit operations have a relatively standard set of goals, objectives, and standards and policies. The Alameda/Oakland and Alameda Harbor Bay ferries are a small component of the transit network serving Alameda and Oakland; ~~so~~ thus some ~~of the~~ standard goals and policies, such as providing direct access ~~within a to a 1/4-set percentage~~ of all area residents are not ~~logical when considering the goals for this component of the regional network~~ readily applicable. The operating contracts for both ferry operations establish performance measures that have serve as de facto goals, objectives, and standards. These serve as the basis for the proposed goals, objectives, and policies/measures proposed here. It is anticipated that every three years, the City of Alameda Transportation Commission will review Ferry Program goals, objectives, and policies and recommend changes to the City Council as appropriate.

Transit goals are ~~often typically~~ stated in terms of Efficiency, Effectiveness, and Equity.

Goal 1

Develop ~~transit service that provides~~ ferry service that functions as an efficient component of the transportation network.

Objective 1

~~Keep-Maintain~~ operating and capital ~~costs in cost~~ expenses consistent with transit in line with industry standards.

Measure 1

Investment in ~~ferry service~~ ferries should be cost-effective. Initial capital investments, within the same range as ongoing operating subsidy requirements, should be no more expensive than achieving the ~~capacity increases~~ same capacity increases through highway expansion or expansion of other transit alternatives. ~~through highway capacity increases or other transit projects.~~

Measure 2

~~Funding for ferry service should include a partnership between passengers, local government, and regional transit funding~~

~~sources.~~ Passengers should pay an equitable proportion of ferry operating expenses, in partnership with the broader community of local and regional taxpayers.

Objective 2

Provide a transit component that achieves cost per passenger standards comparable to other regional transit operators.

Measure 1

~~Ferry~~ The net operating subsidy per ferry passenger should not exceed that of the same magnitude as the net operating subsidies per passenger of other transit providers in the corridor.

Measure 2

~~Ferry service should achieve a 33% farebox recovery ratio.~~ Ferry passengers should pay an equitable portion of operating expenses, defined as a minimum of 33% cost recovery from the farebox (40% for Regional Measure 1 funds).

Goal 2

Provide transit service that ~~is effectively serves the community in serving the community in by~~ generating high ridership, providing reliable, quality service, and assisting in achieving community development objectives.

Objective 1

Achieve a significant share of trips in the component of the transportation market served.

Measure 1

Total travel time by ferry should ~~be comparable or better than match or be faster than~~ alternative modes, particularly single occupant automobiles.

Measure 2

~~Ferry~~ Investment in ferry service should increase the overall share of the travel market for transit mode share in the Transbay corridor.

Objective 2

Provide ~~a~~ comfortable, reliable, and frequent ferry service.

Measure 1

~~Trip frequency should be the best possible consistent with financial criteria.~~ Ferry service levels should be maximized within available finances, constrained by performance standards, particularly the minimum farebox cost recovery of 33%.

Measure 2

Vessels and terminals should be designed to provide appropriate amenities including weather protection, comfortable and inviting waiting areas, adequate security, and so forth. ~~comfortable, weather protected, and provide appropriate amenities.~~

Measure 3

~~Service should be provided on schedule at least 95% of the time.~~ Ferry departures should be “on time” at least 95% of the time, defined as within 5 minutes of the departure times indicated by the public timetable.

Objective 3

Provide ~~a transit~~ ferry service that is well integrated with the larger regional transit network.

Measure 1

~~Joint-Integrated~~ ticketing should be available with land-based transit ~~providing connections that connects with to the~~ ferry terminals.

Measure 2

Transit schedules should be coordinated to allow easy, convenient transfers between -ferries and landside transit.

Objective 4

Provide ~~a transit~~ ferry service that assists achieve community objectives, including economic development goals.

Measure 1

Ferry service should be consistent with, and support the objectives of economic development, ~~and~~ recreational, and other plans.

Objective 5

Provide critical backup transportation services when other elements of the transit network are disrupted and unavailable. ~~to the community.~~

Measure 1

~~The ferry service should be capable of rapid expansion or modification if required to provide back-up capacity to disruptions to land-based transportation capacity.~~ The ferry system should provide ample “reserve capacity” in case of disruptions to land-based transportation systems including transbay bridges, BART, and bus service.

Goal 3

Develop ~~a transit~~ferry service that meets environmental requirements and responds ~~service to~~to the needs of transit dependent ~~residents.~~persons.

Objective 1

Provide and operate vessels and facilities that meet environmental standards.

Measure 1

~~The vessel~~Vessel engines should meet air quality criteria.

Measure 2

Vessel operations should not cause wake problems, require significant dredging, or impact sensitive environmental habitats.

Objective 2

Provide ferry services that ~~serve~~meet the needs of transit dependent ~~population~~persons and meets applicable Americans with Disabilities Act (ADA) mandates.

Measure 1

~~The terminals should provide linkages for the transit dependent.~~ Ferry schedules and service should meet the needs of transit dependent persons as well as “choice” customers. ~~and~~

Measure 2

~~vessels—~~Vessels and ~~terminals—~~terminal design shall insure 100% accessibility to public terminal areas and to vessel main decks; at least one ADA-accessible restroom shall be available on each vessel, and all other ADA mandates shall be met.

Service & System Evaluation

This chapter reviews recent trends for the Alameda/Oakland and Alameda Harbor Bay Ferries

3.1 Alameda-Oakland Ferry Service

As shown in Table 3.1 below, Alameda-Oakland ferry service operating expenses have declined somewhat in recent years in response to declining ridership. As cited in Chapter 1, ridership on this route peaked in FY00-01, and declined for two years before beginning to recover in FY03-04. In response to this declining ridership trend, rising fuel expenses, and a shortage of subsidy funds, service was reduced from 5,794 revenue vehicle hours (RVH) in FY 2001-02 to 4,490 RVH in FY 2002-03. This service reduction cut overall expenses 16 percent, from approximately \$3.27 million in FY 2001-02 to about \$2.74 million in FY 2002-03. In FY 2003-04, fuel prices caused operating expenses to increase faster than inflation. In FY 2004-05, expenses stabilized.

Table 3.1 Alameda/Oakland Ferries: Recent Trends

	FY 00-01	FY 01-02	FY 02-03	FY 03-04	FY 04-05
Operating Expenses					
Total Operator Expenses	\$3,295,601	\$3,032,518	\$2,465,317	\$2,795,926	\$2,689,237
City Expenses	\$247,338	\$239,578	\$273,715	\$297,385	\$354,357
Total Expenses	\$3,542,939	\$3,272,096	\$2,739,032	\$3,093,311	\$3,043,948
Operating Revenues & Assistance					
Passenger Fares	\$1,989,312	\$1,701,268	\$1,712,736	\$1,738,558	\$1,709,880
Total Assistance	\$662,383	\$886,866	\$1,392,097	\$1,392,518	\$1,334,068
RM1 Bridge Tolls	\$487,277	\$466,299	\$813,125	\$650,374	\$837,183
Alameda Co. Measure B	\$123,680	\$269,267	\$427,555	\$583,470	\$413,560
Other Local Funds	\$51,426	\$151,300	\$151,417	\$158,674	\$83,325
Operating Statistics					
Total Passengers	538,645	443,604	427,054	485,318	382,142
Rev. Vehicle Miles* (RVM)	51,564	51,162	52,345	56,775	**56,800
Rev. Vehicle Hours (RVH)	5,790	5,794	4,490	4,842	**4,840
Farebox Recovery Ratio	56%	52%	63%	58%	56%
Average Fare/passenger	\$3.69	\$3.84	\$4.01	\$3.58	
Cost/RVH	\$611.91	\$564.74	\$610.03	\$638.85	\$628.91
Cost/RVM	\$68.71	\$63.96	\$52.33	\$54.48	\$53.59
Cost/Passenger	\$6.58	\$7.38	\$6.41	\$6.37	\$7.97
Subsidy/Passenger	(\$2.88)	(\$3.54)	(\$2.40)	(\$2.79)	(\$3.49)
Passengers/RVH	93.0	76.6	95.1	100.2	79.0
Passengers/RVM	10.4	8.7	8.2	8.5	6.7

* Statute Miles. ** Estimated. Source: Michael Fajans & Associates calculations from financial and operating data supplied by the City of Alameda.

Patronage declined much less than service hours, and operating expenses declined much faster than patronage. A total of 443,604 passengers used the Alameda-Oakland ferry service in FY 2001-02, declining about 4 percent to 427,054 in FY 2002-03. Service productivity increased from 76.6 to 95.1 passengers per hour, respectively, and increased again to 100 passengers per revenue hour in FY03-04. Overall farebox recovery ratio increased from 56 percent in FY 2001-02 to 63 percent in FY 2002-03, and net taxpayer subsidy per passenger declined 32 percent from \$3.54 to \$2.40. Operating expense per vessel revenue hour (VRH) actually increased slightly, from \$523 per VRH in FY 2001-02 to \$549 per VRH during FY 2002-03. In contrast, operating expense per revenue vessel mile (RVM) declined by about 13 percent.

In FY 2003-04, Alameda-Oakland ferry service operating expenses increased 11.3 percent compared to FY 2002-03, reflecting a 7.8 percent service increase, ongoing inflation but also significant increases in fuel prices. The trend in declining ridership was reversed in FY 2003-04, increasing to 485,318 passengers in FY 2003-04, up 13.6 percent from FY 2002-03. Subsidy per passenger increased by 16.3 percent in FY 2003-04, reflecting increased expenses for inflation and fuel. However, operating expense per VRH increased 5.2%, reflecting the increased level of service provided in FY 2003-04. The farebox recovery ratio decreased to 58 percent in FY03-04, still a very strong performance relative to the overall average for Bay Area transit services.

3.2 Harbor Bay Ferry

Harbor Bay Ferry service levels have remained essentially unchanged from FY 2000-01 until the present. Operating expenses in FY 2001-02 increased by three percent over FY 2000-01. In FY 2002-03, operating expenses jumped by 11.9 percent, reflecting a major increase in City of Alameda overhead and administration expenses. Operating expenses increased a further 6.4 percent in FY 2003-04.

Ridership trends for the Harbor Bay Ferry ridership trends paralleled the Alameda-Oakland service, as shown in Table 3.2. Annual patronage was about 130,500 passengers in both FY 2000-01 and FY 2001-02, declining to approximately 108,000 in FY 2002-03, and increasing slightly to 114,000 in FY 2003-04. Farebox cost recovery was 35 percent in FY 2000-01 and FY 2001-02. This declined to 25 percent in FY 2002-03, reflecting the patronage decline and increased cost.

Table 3.2 Harbor Bay Ferries: Recent Trends

	FY 00-01	FY 01-02	FY 02-03	FY 03-04	FY 04-05
Operating Expenses					
Total Operator Expenses	\$1,174,829	\$1,200,000	\$1,191,573	\$1,286,628	\$909,373
City Expenses	\$30,090	\$42,695	\$290,657	\$293,181	\$349,072
Total Expenses	\$1,204,919	\$1,242,695	\$1,484,754	\$1,446,748	\$1,258,445
Operating Revenues & Assistance					
Passenger Fares	\$417,306	\$437,000	\$374,719	\$416,808	\$331,094
Total Assistance	\$744,559	\$658,948	\$781,097	\$946,982	\$927,351
RM1 Bridge Tolls	\$519,100	\$362,551	\$456,000	\$450,000	\$450,000
Alameda Co. Measure B			\$100,000	\$130,000	\$183,011
Other Local Funds	\$225,459	\$296,397	\$225,097	\$366,982	\$294,340
Operating Statistics					
Total Passengers	130,533	130,464	107,700	113,987	**90,463
Rev. Vehicle Miles* (RVM)	20,696	20,000	19,846	23,773	**23,770
Rev. Vehicle Hours (RVH)	1,418	1,400	1,379	1,652	**1,650
Farebox Recovery Ratio	35%	35%	25%	29%	26%
Average Fare/passenger	\$3.20	\$3.35	\$3.48	\$3.66	\$3.01
Cost/RVH	\$849.73	\$857.14	\$1,076.69	\$875.76	\$762.69
Cost/RVM	\$58.22	\$60.00	\$74.81	\$60.86	\$52.94
Cost/Passenger	\$9.23	\$9.20	\$13.79	\$12.69	\$13.91
Subsidy/Passenger	(\$6.03)	(\$6.18)	(\$10.28)	(\$10.20)	(\$10.25)
Passengers/RVH	92.1	93.2	78.1	69.0	54.8
Passengers/RVM	6.3	6.5	5.4	4.8	3.8

* Statute Miles. ** Estimated Source: Michael Fajans & Associates calculations from financial and operating data supplied by the City of Alameda.

In FY 2003-04, farebox cost recovery increased to 29 percent. These farebox recovery ratios do not meet the MTC RM1 criteria for toll bridge funding. In Spring 2005, the City and MTC agreed on extending the AHBF's RM1-5% grant eligibility to provide the City and its operator time to reduce costs and increase farebox revenue. Significant cost reductions were achieved and a \$0.50 each way fare increase were implemented by the beginning of the FY 2005/06 year. In addition, the City brought together the City, the Bay Area Water Transit Authority and Harbor Bay Maritime (the ferry operator) to develop and impellent a Marketing Action Plan (MAP). The first phase of the MAP was implemented in July 2005. As of November 2005, the AHBF has exceeded MTC's requirement by averaging a 46.9% farebox recovery ratio for the first three months of FY 2005/06. Net taxpayer subsidies per passenger in FY 2000-01 and FY 2001-02 were \$6.03 and \$5.85, respectively. In FY 2002-03, subsidy per passenger increased to \$10.31, reflecting patronage losses. In FY 2003-04, net subsidy declined to \$9.04 per passenger. Operating expenses has held between approximately \$850 and \$875 per RVH between FY 2000-01 and FY 2003-04, with a temporary spike to \$1,077 per hour in FY 2002-03. Passengers per RVH ranged from a high of 93.2 in FY 2001-02 to a low of 69.0 in FY 2003-04.

3.3 Meeting Goals, Objectives & Policies

This section reviews the performance of the ferry services in terms of the goals, objectives, and policies recommended for the AOFS and AHBF services in this *Short Range Transit Plan*.

Goal 1

Develop ~~transit service that provides~~ ferry service that functions as an efficient component of the transportation network.

Objective 1

~~Keep-Maintain~~ operating and capital ~~costs in-costs~~ expenses consistent with ~~transit in line with~~ industry standards.

Measure 1

Investment in ~~ferry service~~ ferries should be cost-effective. Initial capital investments, within the same range as ongoing operating subsidy requirements, should be no more expensive than achieving the ~~capacity increases~~ same capacity increases through highway expansion or expansion of other transit alternatives.

Although the capital cost per seat for a ferry is greater than that for a bus, the cost of vessels used for Alameda ferries services is less than or comparable to that for a transit bus when amortized over the life of the vehicle. The cost per seat for a ferry is considerably less than that for rail systems, and it is even less expensive considering cost of terminals and "right-of-way". Given the costs of highway and particularly bridge building, generating capacity increases with ferries in critical corridors is cost effective. ~~through highway capacity increases or other transit projects.~~

Measure 2

~~Funding for ferry service should include a partnership between passengers, local government, and regional transit funding sources.~~ Passengers should pay an equitable proportion of ferry operating expenses, in partnership with the broader community of local and regional taxpayers.

Alameda/Oakland and Alameda Harbor Bay ferry passengers have paid from a minimum of 25% to a maximum of 69% of operating costs through fares during the past four years. In addition, the use of transportation assessment funds from Harbor Bay Island, a portion of the City of Alameda's transportation "Measure B" sales tax funds (these funds are earmarked for ferry service), and funds and in-kind contributions from the Port of Oakland reduce the proportion of operating funds derived from conventional regional transportation subsidies.

Objective 2

Provide a transit component that achieves cost per passenger standards comparable to other regional transit operators.

Measure 1

~~Ferry~~ The net operating subsidy per ferry passenger should ~~not exceed that of~~ be of the same magnitude as net operating subsidies per passenger of other transit providers in the corridor.

As shown in Table 3.1, the net operating subsidy for the Alameda/Oakland Ferry Service was \$2.40 per passenger for FY02-03, above that of BART's capital-intensive system but below the \$3.33 per passenger subsidy on AC Transit for that year. The amounts are lower than those of other Bay Area ferry operators. The \$10.30 net operating subsidy for the Alameda Harbor Bay Ferry in FY02-03 was above that of other operators, including the \$7.76 subsidy per passenger on the Golden Gate ferry service.

~~Measure 2~~

~~Ferry service should achieve a 33% farebox recovery ratio. Ferry passengers should pay~~ an equitable proportion of operating expenses, defined as a minimum of 33% cost recovery from the farebox (40% for Regional Measure 1 funds).

The AOFS easily met this measure, averaging a 56% cost recovery from the farebox over the FY00-01 to FY03-04 period. The AHBF service averaged a 31% farebox recovery over the same period, slightly missing this criterion, and falling short of the MTC RM1 requirement. Together, the two services averaged 49% cost recovery since the AOFS has a substantially higher budget. As of November 2005, the AHBF has exceeded MTC's requirement by averaging a 46.9% farebox recovery ratio for the first three months of FY 2005/06.

Goal 2

Provide transit service that ~~is~~ effectively serves the community in serving the community in by generating high ridership, providing reliable, quality service, and assisting in achieve-achieving community ~~development~~ objectives.

Objective 1

Achieve a significant share of trips in the component of the transportation market served.

Measure 1

Total travel time by ferry should ~~be comparable or better than~~ match or be faster than alternative modes, particularly single occupant automobiles.

Because driving or other transit trips from Alameda to San Francisco require backtracking through Oakland, the 15-20 minute travel time from Alameda on the AOFs and the 20-28 minute travel time on the AHBf ferry are faster than alternative modes. From Oakland, a trip to San Francisco on BART is usually faster. A ferry trip from Oakland to Fisherman's Wharf or SBC Park is faster than alternative driving or transit modes.

Measure 2

Ferry Investment in ferry service should increase the overall share of the travel market for transit ~~mode share~~ in the Transbay corridor.

Specific surveys have not been conducted among Alameda and Oakland ferry riders to determine their prior mode, but previous surveys for other studies have indicated that a significant proportion of transbay ferry trips replace auto trips rather than travel on other transit modes.

Objective 2

Provide ~~a~~ comfortable, reliable, and frequent ferry service.

Measure 1

~~Trip frequency should be the best possible consistent with financial criteria.~~ Ferry service levels should be maximized within available finances, constrained by performance standards, particularly the minimum farebox cost recovery of 33%.

At this point, both services provide comfortable and reliable service, but frequency is not comparable to other transit modes as a result of capital cost of vessels and constrained operational funding.

Measure 2

Vessels and terminals should be designed to provide appropriate amenities including weather protection, comfortable and inviting waiting areas, adequate security, and so forth.

Both the Alameda Main Street and Jack London Square terminal provide weather protection and waiting areas, although the Jack London Square float does not provide weather protection for patrons boarding and disembarking from the vessels. The Alameda Harbor Bay terminal has limited weather protection and neither the gangway nor float is sheltered although there is a sheltered waiting area adjacent to the parking lot immediately above the dock. The San Francisco Ferry Terminal does provide weather protection on the float and gangway although passengers cannot access the sheltered gangway until vessel crew opens the gate – this is for security reasons. ~~comfortable, weather-protected, and provide appropriate amenities.~~

Measure 3

~~Service should be provided on schedule at least 95% of the time. Ferry departures should be “on time” at least 95% of the time, defined as no more than 5 minutes later than the departure times indicated by the public timetable.~~

Survey results, and the contractual “bonus” provided in the contract for operation of the AOFS service indicate that service does meet the “on-time” criteria.

Objective 3

Provide ~~a transit~~ferry service that is well integrated with the larger Bay Area regional transit network.

Measure 1

~~Joint-Integrated~~ ticketing should be available with land-based transit ~~providing connections that connects with to the~~ ferry terminals.

AC Transit transfers are provided with all tickets on both ferry services. Transfers to San Francisco Municipal Railway are provided with tickets in the 10, 20, and 40 ticket books on the AOFS and all tickets on the AHBF.

Measure 2

Transit schedules should be coordinated to allow easy, convenient transfers between ~~-ferries~~ and landside transit.

East Bay AC Transit connections with the AOFS are not ideal because of the 65-minute ferry headways, which do not match the AC Transit route 63 30-minute headways. Connections work better in Oakland where there are multiple routes that serve the Jack London Square area and at the Harbor Bay ferry terminal where the 60-minute ferry headways are in sync with the AC Transit route 50 headways.

Objective 4

Provide ~~a transit~~ferry service that assists achieve community objectives, including economic development goals.

Measure 1

Ferry service should be consistent with, and support the objectives of economic development, ~~and~~ recreational, and other plans.

AOFS improvements are an element of the Alameda Point Reuse Plan, and are anticipated in the Alameda Transit Plan, the MTC Regional Ferry Plan, and in the Water Transit Authority Implementation and Operations Plan. The AHBF was created by the developers of Harbor Bay as a marketing strategy and traffic mitigation element.

Objective 5

Provide critical backup transportation services when other elements of the network are disrupted and unavailable, ~~to the community.~~

Measure 1

~~The ferry service should be capable of rapid expansion or modification if required to provide back up capacity to disruptions to land-based transportation cap~~The ferry system should provide ample “reserve capacity” in case of disruptions to land-based transportation systems including transbay bridges, BART, and bus service.

The ferries have provided this reverse capacity multiple times during periods of bridge, BART, and power disruptions. With docking facilities in place and a regional emergency plan, additional vessels can be placed into service quickly when an element of the network is unavailable.~~city.~~

Goal 3

Develop ~~a transit~~ferry service that meets environmental requirements and ~~service to~~to the needs of transit dependent ~~residents~~persons.

Objective 1

Provide and operate vessels and facilities that meet environmental standards.

Measure 1

~~The vessel~~Vessel engines should meet air quality criteria.

Engines on the four vessels have been installed or replaced since 2001 and represent “state of the art” with respect to emission standards presently required on diesel marine engines.

Measure 2

Vessel operations should not cause wake problems, require significant dredging, or impact sensitive environmental habitats.

There are few environmental issues in the Estuary or en-route between Oakland and San Francisco. During sensitive shipping activity or dredging activities in the Estuary, the ferries operate at “slow bells” speed to minimize impacts. While there are sensitive eel grass beds in the vicinity of the Harbor Bay terminal, a course and operating protocol has been established to keep impacts within permissible levels.

Objective 2

Provide ferry services that ~~serve-meet~~ the needs of transit-dependent ~~population~~ persons and meets all applicable Americans with Disabilities Act (ADA) mandates.

Measure 1

~~The terminals should provide linkages for the transit dependent, Ferry schedules and service should meet the needs of transit dependent persons as well as “choice” customers.~~

The ferry services do have feeder bus service and are pedestrian accessible from nearby neighborhoods. ~~and~~

Measure 2

~~vessels—Vessels and terminals—terminal design shall insure 100% accessibility to public terminal areas and to vessel main decks; at least one ADA-accessible restroom shall be available on each vessel, and all other ADA mandates shall be met.~~

Vessels and facilities on both services meet ADA standards, and vessel crew members are able to assist passengers as required. ~~should be designed and operated to meet ADA requirements.~~

3.4 Comparative Transit Statistics

Table 3.3 on the next page presents comparative statistics for the AOFs and Harbor Bay ferry services, relative to other regional transit operators. While the four ferry services have the highest cost per vehicle hour and per vehicle mile,

they carry more passengers than other transit modes as reflected in the higher passengers per revenue vehicle hour (RVH) and revenue vehicle mile (RVM) (statute miles). The two highest services in terms of subsidy per passenger trip are the Alameda Harbor Bay ferry and the Altamont Commuter Express (ACE) train, the two peak period only services.

Table 3.3 Comparative Transit Statistics, FY 2002-03

Operator	Cost/ RVH	Cost/ RVM*	Pass/ RVH	Pass/ RVM*	Farebox Percent	Subsidy/ Pass Trip
Alameda/Oakland FS	\$549	\$47.10	95.1	8.2	69%	\$2.40
Alameda HBF	\$1,077	\$74.80	78.1	5.4	25%	\$10.31
AC Transit Bus	\$107	\$11.28	30.4	2.6	17%	\$3.33
ACE Train	\$438	\$11.83	30.8	0.8	37%	\$9.00
BART Rail	\$203	\$5.78	57.1	1.6	58%	\$1.51
Caltrain Rail	\$355	\$11.96	41.2	1.4	34%	\$5.54
Golden Gate Ferry	\$1,182	\$93.80	106.4	8.4	30%	\$7.76
Golden Gate Bus	\$153	\$8.59	20.1	1.1	23%	\$5.84
Vallejo Baylink Ferry	\$885	\$27.78	93.6	2.9	68%	\$3.05

* Indicated in Statute Miles. Source: Michael Fajans & Associates, adapted from MTC Statistical Summary of Bay Area Transit Operators, FY 2002-03

Operating & Financial Plans

This SRTP presents a basic operational plan that ~~represents~~ would continue the current service pattern a continuation of current levels of service for both Alameda/Oakland (AOFS) and Alameda Harbor Bay ferry (AHBF). ~~With~~ Table 4.1 at the end of this chapter summarizes the projected financial results for this plan. Detailed financial summaries are also presented in Appendix B.

This SRTP envisions AHBF and AOFS operations continuing at current levels of service and to/from current destinations. However, a number of Alameda conceptual and planning documents discuss the possible relocation, at some time in the future, of the Alameda Main Street ferry service to Alameda Point. These documents include the Draft Alameda Point Transportation Strategy (APTS), the draft Alameda Point Preliminary Development Concept (APPDC), the Alameda Point Reuse Plan (APRP) and the Alameda Transit Plan (2001) (TP). For example, the TP makes the “long term” recommendation that the AOFS “would be relocated to the Seaplane Lagoon”. The APTS envisions “a new ferry terminal...on the Seaplane Lagoon, replacing the existing Gateway Alameda terminal...” The APPDC calls for inclusion of a new ferry terminal in the proposed Transit Center on the Seaplane Lagoon. As these plans are conceptual in nature they do not specify when the relocation would take place, where the terminal would be, if the AHBF would be interlined with the AOFS, or the level of service that would be provided. Nor are there specific proposals on how relocation capital costs will be addressed. The City has also begun preliminary discussions with the San Francisco Water Transit Authority (WTA) on the possibility that the City might “assign” its ferry services to the WTA although the City has not made a formal determination that such a transfer will take place. For these reasons this SRTP assumes that the Basic Operating Plan will continue. The City will amend the ferry SRTP if it decides to relocate the Main Street terminal or assign its ferry services to the WTA.

4.1 ~~4~~Basic Operational Plan

This scenario ~~represents the continuation of the~~ would continue current both ferry routes as operated in FY 2005-06. services as they will be for the FY 2005-06 year. The AOFS would ~~continues to operate at on~~ 60-65 minute headways during peak periods, . During the midday, evening, and on weekends, and provides single vessel service on a route would run including trips to and from that includes

Fisherman's Wharf ~~during midday, evening, and weekend hours.~~ ~~With the additional stop,~~ During this time, the AOFS route operates at ~~headways are typically 1.75 to 2 hour~~hour frequencies. A second vessel ~~operates is added to on the~~ Oakland/ Alameda service during the afternoon commute; ~~periods the second boat also provides ferry service to and provides ballpark service to~~ SBC Park for evening Giants baseball games. Weekend service ~~on the AOFS continues to be~~continues to be suspended during the ~~slow-low~~ patronage January-February period (eight weekends). ~~A higher level of weekend service is provided during the~~from May ~~to~~ October (9 round trips vs. 6). ~~period~~

Tables 4.1 and B.1 in Appendix B ~~shows summarize the~~ projected revenues and expenses for the plan. On the expense side, ~~it is~~this SRTP ~~projected projects~~ that ~~operating~~ costs will increase at ~~a 3.5 percent annual rate. 5% annually.~~ This includes fuel ~~costs~~expenses, which represent about ~~11% percent~~ of the total current ~~operational costs~~operating budget. Thus, continued rapid escalation of fuel costs would make it difficult to hold annual cost increases to ~~3.5%, percent,~~ while a drop in fuel prices would make it possible to hold cost increases to a lower rate. Although hourly operating ~~costs~~ expenses for the AHBF have been substantially higher than the ~~those~~ hourly operating expenses for the AOFS (~~an outcome~~ of the ~~current arrangement that requirement to~~ pays two AHBF crews, ~~one each~~ to cover the ~~limited~~ morning peak and afternoon peak period service, ~~respectively~~), this difference is expected to diminish according to the FY05-06 budget for the two services and the significant cost reductions implemented by the City and Harbor Bay Maritime.

Holding the number of operating hours constant on both services, the annual operating cost for both routes would increase from \$4.7 million in FY 2005-06 to \$6.57 million by FY 2015-16. At a 3.5 percent annual escalation, hourly operating costs would increase to \$1000 from the current \$709 for the AOFS, while the Harbor Bay operating costs would increase to \$1,045 per hour in 11 years compared to \$740 at present.

~~Passenger fare~~Passenger ~~fare~~ revenue is expected to grow by ~~5 at % percent~~ annually on the AOFS, a combination of ~~a 2% percent~~ annual increase in ridership and ~~average 3% percent~~ annual fare increase ~~to cover ongoing inflation~~ (if the City Council chooses to increase fares at a lesser rate, service or operating cost reductions will be required). For the AHBF, fare revenue is assumed to grow by ~~at 3%, percent annually,~~ representing a conservative "no ~~passenger~~ growth ~~in current patronage~~" planning assumption and a ~~3% percent average~~ annual fare increase ~~to partially cover ongoing inflation.~~

The ~~forecasted-projected~~ small growth rate for ~~5%- percent~~ and ~~2% percent~~ bridge toll revenues ~~comes from~~ has been provided by MTC, and assumes a continuation of the present distribution formula between ~~the northern-Northern~~ and ~~southern-Southern bridge-Bridge groups-Groups-~~. Alameda and Oakland ferry services is expected to continue as the ~~continue to be the~~ primary recipient of eligible ~~southern-Southern bridge-Bridge Group-funds~~. The 2 percent bridge toll revenues are limited for capital improvements or major maintenance items that are not in the operating budget, but may include items such as major vessel and/or engine overhauls, as well as terminal improvements.

~~and that the~~ The Ferry funding received from Alameda County Measure B sales tax funds ~~allocation to the Alameda and Oakland ferry services~~ is projected to grow ~~at 4%- percent~~ annually over the ~~plan-SRTP planning~~ period-. These fund sources are available for both ferry services. ~~and~~ Though the Port of Oakland's cash contribution to the ~~the~~ AOFS is determined annually; ~~it is~~ this SRTP assumes that this source will ~~assumed to~~ grow ~~at 2%- percent~~ annually from the present \$83,000. In addition to the cash contribution, the Port of Oakland operates and maintains the Clay Street pier and provides validated parking in the Washington Street garage.

Two other revenue sources provide ~~There are two other fund sources that have been utilized to~~ support specifically for the AHBF. ~~The~~ Harbor Bay Business Park (HBBP) assesses a \$.005 monthly ~~transportation-fee to support ferry service per on each~~ square foot of occupied space. ~~that supports ferry service.~~ This yields fee yields ~~about approximately~~ \$90,000 per year at present the current level of development in the business park, but is expected to grow substantially ~~with as~~ occupancy at the business park increases. ~~The second source, the~~ The Alameda Transportation Improvement Fund is obtained from, ~~represents a portion of the~~ increased taxes generated by from development on Harbor Bay Island, that are and is allocated to a variety of various transportation improvements. At this ~~point,~~ point, the City of Alameda has not yet committed to continue allocating approximately \$220,000 in annual funding revenues for the Harbor Bay service from ~~the TIF, this source~~ beyond FY 2007-08; therefore the tables only assumes that this funding would continue through FY 2007-08, ~~and the table only shows it through the FY 07-08 year.~~

~~In going through the 11 year scenario,~~ Under the basic plan, ~~there were~~ sufficient funding for maintaining the current levels of service on both routes appears to be available, but with little margin for contingencies. One additional hour of service per day would be sufficient to cause the operating budget to run a deficit part way

through this SRTP's 11-year planning period. In examining sensitivity, continued rapid escalation in fuel prices or a five percent increase in fare revenues instead of the projected seven percent would result in insufficient net/capital reserve funds within five years. Should operating support prove insufficient to maintain the established level of service, actions would be taken to reduce expenses including selective service reductions and/or fare increases.

The projected net/capital reserve is more than or equal to the two percent bridge toll revenues except for a slight deficiency in FY 2009-10. The \$5.7 million available for capital projects over the 11 years would fund major vessel overhauls and improvements to the terminals, but would not support any major investment in new facilities or vessels. Farebox cost recovery ratios would remain at approximately 40% for the Harbor Bay service and gradually increase back to 58% on the AOFs.

This alternative meets the financial goals and objectives laid out in the evaluation section. The consolidated farebox recovery ratio would increase from 48 percent to 53 percent over the planning period.

Table 4.1 Summary of Operating Budget

	FY 2005-06	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
<i>Alternative 1 – Basic Operational Plan</i>											
Annual	6,494	6,494	6,494	6,494	6,494	6,494	6,494	6,494	6,494	6,494	6,494
Operating Expenses	\$4,655,895	\$4,818,851	\$4,987,511	\$5,162,074	\$5,342,747	\$5,529,743	\$5,723,284	\$5,923,599	\$6,130,925	\$6,345,507	\$6,567,600
Farebox Revenues	\$2,239,500	\$2,341,515	\$2,448,332	\$2,560,182	\$2,677,308	\$2,799,963	\$2,928,415	\$3,062,943	\$3,203,840	\$3,351,415	\$3,505,990
Subsidy Funds Available	\$3,061,728	\$3,124,934	\$3,188,000	\$3,033,688	\$3,102,173	\$3,173,645	\$3,248,310	\$3,326,393	\$3,408,137	\$3,493,811	\$3,583,706
Farebox Recovery Ratio	48%	49%	49%	50%	50%	51%	51%	52%	52%	53%	53%
<i>This table summarizes more detailed Tables B.1, and B.2 in Appendix B.</i>											

4.2 Meeting Goals, Objectives & Policies

Goal 1

Develop ~~transit service that provides~~ ferry service that functions as an efficient component of the transportation network.

Objective 1

~~Keep~~ Maintain operating and capital ~~costs in~~ ~~costs~~ expenses consistent with transit in line with industry standards.

Measure 1

Investment in ~~ferry service~~ ferries should be cost-effective. Initial capital investments, within the same range as ongoing operating subsidy requirements, should be no more expensive than achieving the ~~capacity increases~~ same capacity increases through highway expansion or expansion of other transit alternatives.

Operating under the Basic Plan will continue to provide cost-effective service within the norms for Bay Area transit systems.

Measure 2

~~Funding for ferry service should include a partnership between passengers, local government, and regional transit funding sources.~~ Passengers should pay their “fair share” of ferry operating expenses, in partnership with the broader community of local and regional taxpayers.

The Basic Operational Plan would provide the highest share of operating expenses paid by ferry users, beginning at 48% combined farebox return for both AOFS and AHBF in FY 2005-06, gradually increasing to about 53% in FY 2015-16.

Objective 2

Provide a transit component that achieves cost per passenger standards comparable to other regional transit operators.

Measure 1

~~Ferry~~ The net operating subsidy per ~~ferry~~ passenger should ~~not exceed that of~~ be of the same magnitude as the net operating subsidies per passenger of other transit providers in the corridor.

Net operating subsidy per passenger increases or declines in lockstep with farebox return. The Basic Operational Plan would have the lowest net operating subsidy per passenger since it is projected to have the highest overall farebox returns.

Measure 2

~~Ferry service should achieve a 33% farebox recovery ratio. Ferry passengers should pay their “fair share” of operating expenses, defined as a minimum of 33% cost recovery~~ from the farebox.

The combined farebox return ratio for AOFS and AHBF would remain substantially above the proposed 33% minimum farebox cost recovery in the Basic Operational Plan.

Goal 2

Provide transit service that ~~is effectively~~ serves the community ~~in serving the community in by~~ generating high ridership, providing reliable, quality service, and assisting ~~in achieve achieving~~ community ~~development~~ objectives.

Objective 1

Achieve a significant share of trips in the component of the transportation market served.

Measure 1

Total travel time by ferry should ~~be comparable or better than~~ match or be faster than alternative modes, particularly single occupant automobiles.

Both the AOFS (from Alameda) and AHBF are faster than alternative travel modes from Alameda.

Measure 2

~~Ferry Investment in ferry~~ service should increase the overall share of the travel market for transit ~~mode share~~ in the Transbay corridor.

The ferry services provide additional alternatives that are well utilized particularly for commute travel.

Objective 2

Provide ~~a~~ comfortable, reliable, and frequent ferry service.

Measure 1

~~Trip frequency should be the best possible consistent with financial criteria. Ferry service levels should be maximized within available finances, constrained by performance standards, particularly the minimum farebox cost recovery of 33%.~~

The Basic Operational Plan achieves these objectives.

Measure 2

Vessels and terminals should be designed to provide appropriate amenities including weather protection, comfortable and inviting waiting areas, adequate security, and so forth.

Both ferry services have Alameda terminals with covered waiting areas. Contracted security services provide protection at the Oakland Clay street terminal and at both Alameda terminals. All three east bay terminals have UC Coast Guard approved facility security plans and trained Facility Security Officers.

Measure 3

~~Service should be provided on schedule at least 95% of the time. Ferry departures should be “on time” at least 95% of the time, defined as no more than 5 minutes later than the departure times indicated by the public timetable.~~

If realistic timetables are developed for ferry service, both Alternatives are likely to meet this measure/policy.

Objective 3

Provide ~~a transit~~ferry service that is well integrated with the larger regional transit network.

Measure 1

~~Joint-Integrated~~ ticketing should be available with land-based transit ~~providing connections that connects with to the~~ ferry terminals.

Both the AOGS and the AHBF provide free AC Transit and MUNI transfers to commuters. In the future the City will consider participation in the Translink regional ticketing program.

Measure 2

Transit schedules should be coordinated to allow easy, convenient transfers between -ferries and landside transit.

The Basic Operational plan can meet this standard with very careful schedule planning for both ferries and landside transit.

Objective 4

Provide ~~a transit~~ferry service that assists achieve community objectives, including economic development goals.

Measure 1

Ferry service should be consistent with, and support the objectives of economic development, ~~and~~ recreational, and other plans.

The Basic Operational Plan currently meets these policies. AOFS improvements are an element of the Alameda Point Reuse Plan, and are anticipated in the Alameda Transit Plan and the MTC Regional Ferry Plan.

Objective 5

Provide critical backup transportation services when other elements of the transit network are disrupted and unavailable, ~~to the community.~~

Measure 1

~~The ferry service should be capable of rapid expansion or modification if required to provide back-up capacity to disruptions to land-based transportation cap~~The ferry system should provide ample “reserve capacity” in case of disruptions to land-based transportation systems including transbay bridges, BART, and bus service.

A portion of the City’s current fleet of four vessels (Peralta, Encinal, Bay Breeze, Express II) could provide significant reserve capacity in the event of a major disruption. ~~city.~~

Goal 3

Develop ~~a transit~~ferry service that meets environmental requirements and responds ~~service to~~to the needs of transit dependent ~~residents~~persons.

Objective 1

Provide and operate vessels and facilities that meet environmental standards.

Measure 1

~~The vessel~~Vessel engines should meet air quality criteria.

The Basic Operational Plan is required to meet air quality criteria.

Measure 2

Vessel operations should not cause wake problems, require significant dredging, or impact sensitive environmental habitats.

Current ferry service minimizes these problems.

Objective 2

Provide ferry services that serve-meet the needs of transit dependent population persons and meets applicable Americans with Disabilities Act (ADA) mandates.

Measure 1

~~The terminals should provide linkages for the transit dependent, Ferry schedules and service should meet the needs of transit dependent persons as well as “choice” customers.~~

Together the AOFS and AHBF services provide 20 round trips per weekday. ~~and~~

Measure 2

~~vessels—Vessels and terminals—terminal design shall insure 100% accessibility to public terminal areas and to vessel main decks; at least one ADA-accessible restroom shall be available on each vessel, and all other ADA mandates shall be met.~~

Meeting these requirements are mandatory; all current vessels meet them.

Capital Plan

There are no large-scale capital requirements to continue the two ferry services at current levels. The ferry vessels utilized for the service are relatively new, or have been recently overhauled such that vessel replacement or major vessel overhauls should not be required within the 11-year planning horizon of this *SRTP*. Normal vessel maintenance, including machinery and hull maintenance, dry-docking, and annual inspections have been included within these *SRTP* operating cost projections.

Table 5.1 summarizes the capital needs for the Basic Operating Plan. This includes major engine, reduction gear, and waterjet overhauls (for the *M.V. Bay Breeze*), as well as float rehabilitation. As shown in Table 5.1, approximately \$3.2 million in capital requirements would be required over the 11 years to continue operations under the basic operational scenario. Under the Basic Operations Plan, a cumulative reserve of about \$1.8 million would result in FY 2015-16. This amount would be lower should diesel fuel prices continue to increase at a rate significantly greater than inflation.

Table 5.2 summarizes the projected replacement year of each ferry vessel operated by the City of Alameda Ferry Program.

Table 5.1 Alameda/Oakland Ferry Program Capital Requirements

	FY 2005-06	FY 2006-07	FY 2007-08	FY 08-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	11-Yr Total
Basic Operational Alternative												
<i>Peralta</i> Overhaul				\$428,000						\$601,000		
<i>Encinal</i> Overhaul									\$466,000			
<i>Bay Breeze</i> Overhaul	\$150,000			\$240,000					\$286,000			
<i>Express II</i> Overhaul		\$100,000						\$128,000				
Float Overhaul		\$200,000	\$150,000			\$238,000	\$178,000					
Total Expenditures	\$150,000	\$300,000	\$150,000	\$668,000	\$0	\$238,000	\$178,000	\$128,000	\$752,000	\$601,000	\$0	\$3,165,000
Basic Operational Plan – From Table B.1												
Balance Carried Forward			\$195,333	\$692,630	\$673,451	\$1,105,247	\$1,303,981	\$1,569,847	\$1,705,288	\$1,419,024	\$1,299,077	
Expenditures*	(\$150,000)	(\$300,000)	(\$150,000)	(\$668,000)	\$0	(\$238,000)	(\$178,000)	(\$318,000)	(\$752,000)	(\$601,000)	\$0	(\$3,165,000)
Projected Net/Capital Reserve		\$645,333	\$647,597	\$648,821	\$431,796	\$436,734	\$443,866	\$453,441	\$465,736	\$481,053	\$499,719	
Cumulative Reserve	(\$150,000)	\$195,333	\$692,630	\$673,451	\$1,105,247	\$1,303,981	\$1,569,847	\$1,705,288	\$1,419,024	\$1,299,077	\$1,798,796	\$1,798,796
* Capital expenditures need to maintain the Basic Operational Plan.												

Table 5.2 Alameda/Oakland Ferry Program Vessel Replacement Schedule

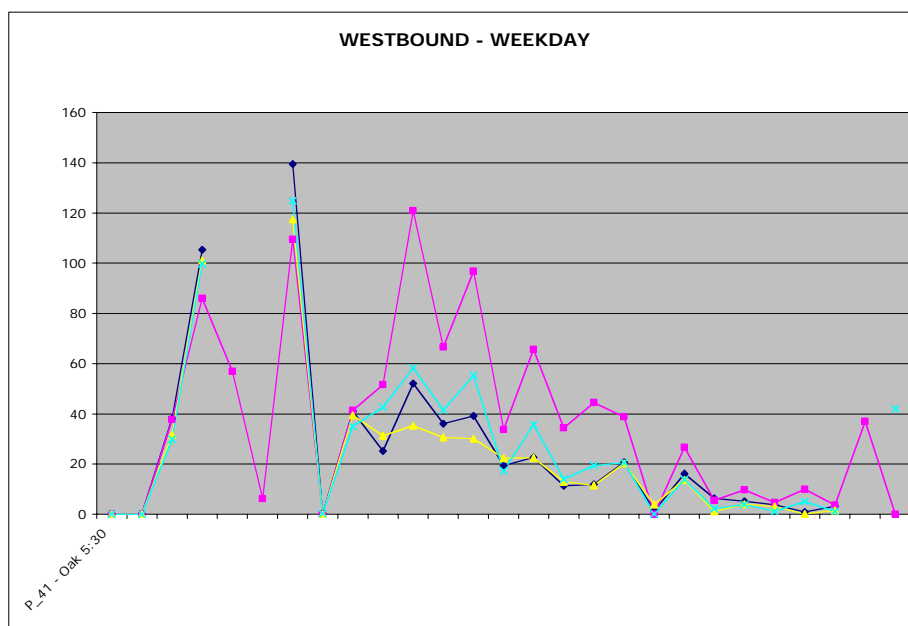
Vessel	Year Built/ In Service	Projected Lifetime	Projected Retirement
<i>M/V Encinal</i>	1986	36*	2017
<i>M/V Peralta</i>	2001	30	2031
<i>M/V Bay Breeze</i>	1994	30	2024
<i>M/V Express II</i>	1994**	25	2019
<p>* Vessel rebuilt in 2000 to include longer hulls and new engines.</p> <p>** Purchased in 1994 by City of Alameda Ferry Program. Express II has shorter lifetime due to fiberglass hull, compared to the aluminum-hulled vessels.</p>			

Detailed Ferry Ridership Patterns

Weekday Patronage Patterns

Alameda-Oakland ferry patronage on weekdays follows predictable patterns. As shown in Figure A-1, weekday commute period trips carry the largest number of passengers, with the heaviest westbound loads of 100-120 per trip on the 7:15 a.m. and 8:20 a.m. departures from Alameda to San Francisco. Peak period patronage is relatively steady from season to season. Westbound patronage on later trips peaks between 10:00 a.m. and 1:00 p.m. regardless of season, with steadily diminishing westbound traffic as the day progresses. No demographic data is available by income or ethnicity, however.

Figure A.1 AOFS Westbound Trends, Weekday

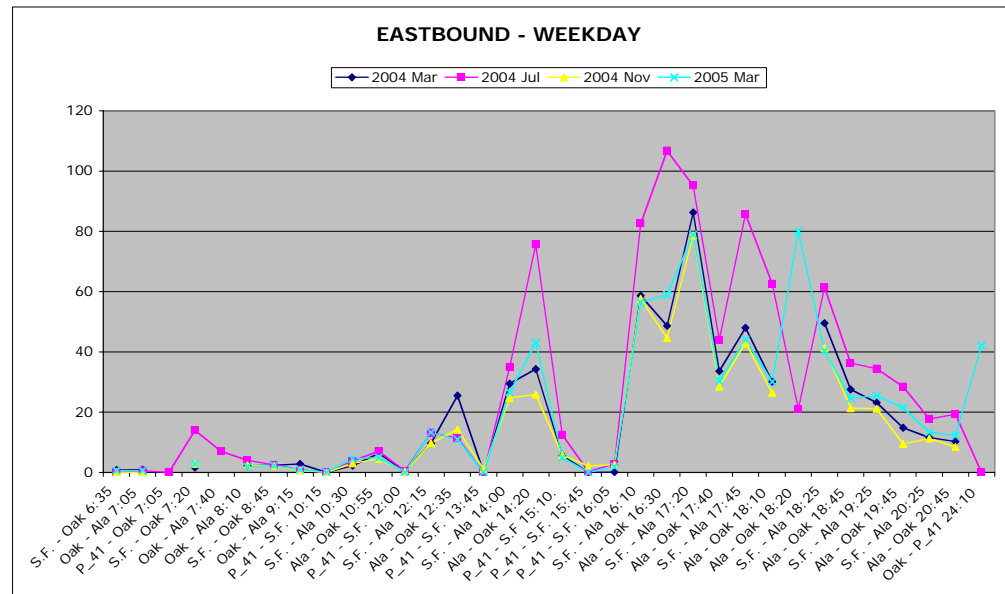


Similarly, as shown in Figure A.2, afternoon peak period eastbound trips departing San Francisco for Alameda and Oakland generally have the largest passenger loads, regardless of season. Non-peak period patronage tends to peak around 2:00 p.m., as shown in Figure A.2. After 6:00 p.m., eastbound patronage steadily declines in the evening until the last trip in a consistent, year-round pattern.

While weekday peak period ridership is relatively consistent throughout the year, midday and evening ferry patronage varies dramatically by season. Summertime midday ferry ridership is approximately double late fall and winter ridership. Westbound patronage to San Francisco peaks between 10:00 a.m. and 1:00 p.m.

In contrast, eastbound summer ridership peaks in the late afternoon, increasing average loads on peak period ferry trips. In July 2004, maximum peak loads on the 5:20 p.m. trip leaving San Francisco averaged 110 persons, well short of the 331-seat capacity of the *M/V Peralta* and 388-seat capacity of the *M/V Encinal*.

Figure A.2 AOFS Eastbound Trends, Weekdays



Weekend Patronage Patterns

Westbound ferry patronage patterns on Saturdays in late fall and late spring are similar, with much less “peaking” than on weekdays. While most weekday passengers on the Alameda-Oakland ferry are oriented to San Francisco, traffic to/from Jack London Square originating in San Francisco is evident, including modest peaking of westbound patronage in the afternoon. This pattern is also evident on Sundays (Figures A.5 and A.6). On Saturdays, available vessel capacity is most heavily utilized, often with 140-150 passengers on morning trips to San Francisco (Figure A.4). In one case, over 200 passengers were recorded (Figure A.3). Sunday ferry patronage mirror Saturday ridership patterns, but is typically less peaked and 25-30 percent lower. No demographic data is available by income or ethnicity, however.

Figure A.3 AOFS Westbound Trends, Saturdays

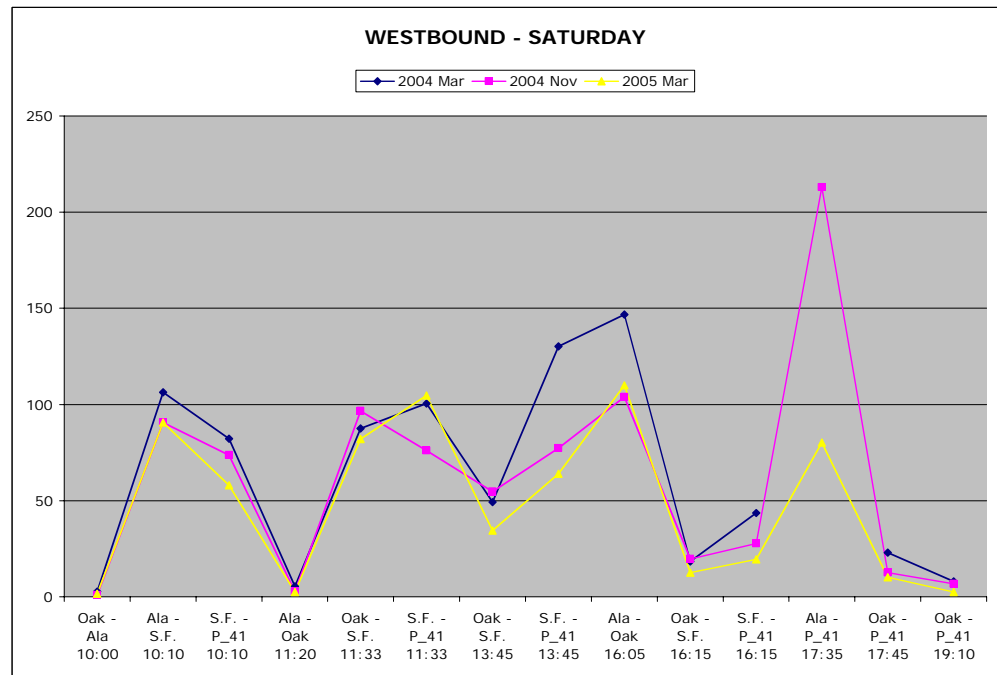


Figure A.4 AOFS Westbound, Saturdays July 2004

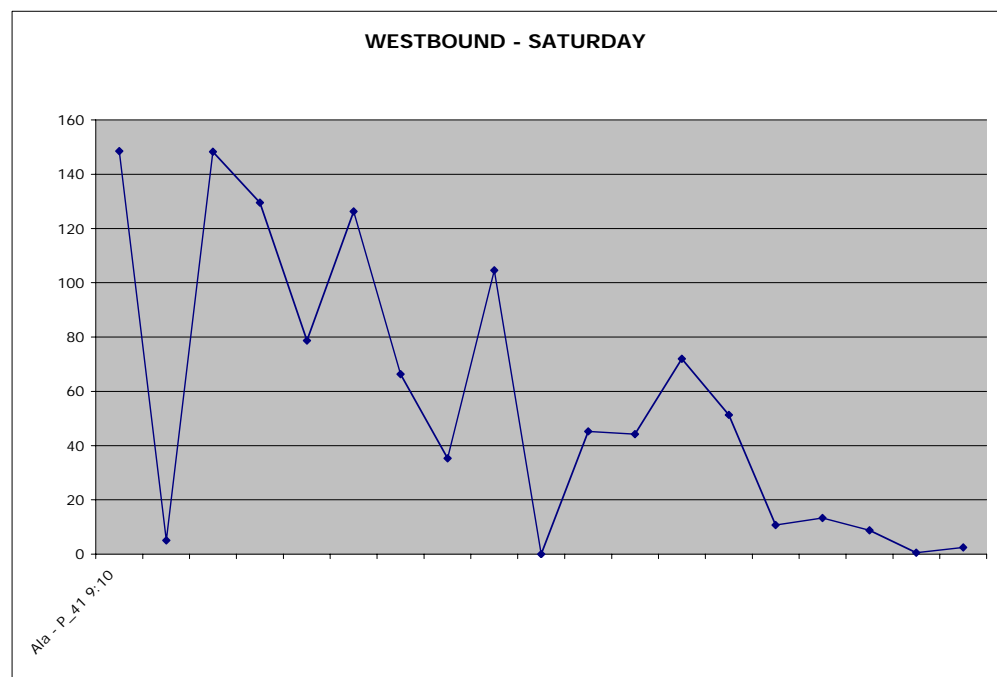


Figure A.5 AOFS Eastbound Trends, Saturdays

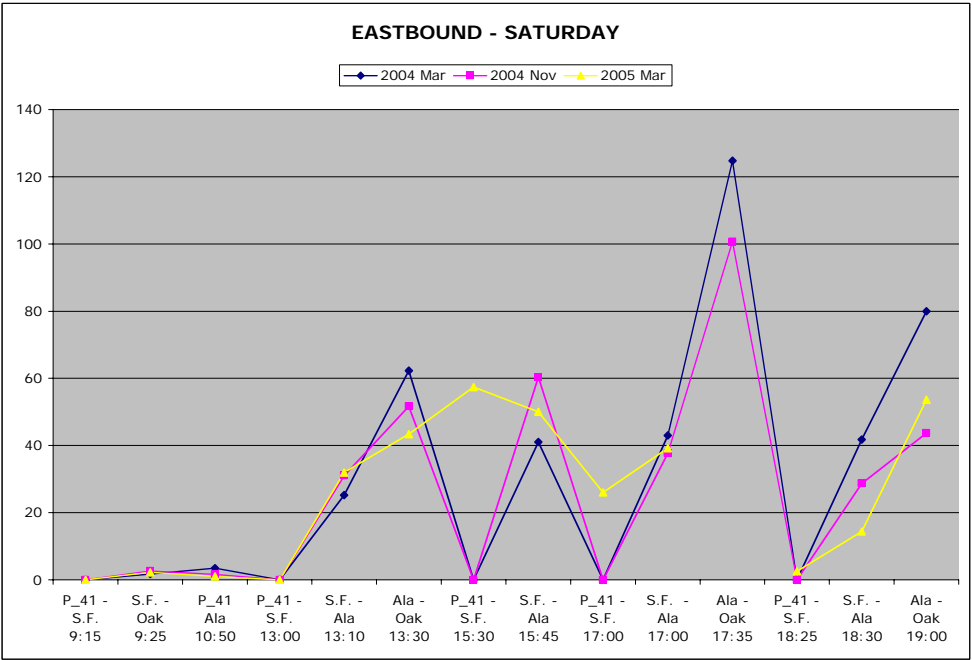


Figure A.6 AOFS Eastbound Trends, Saturdays July 2004

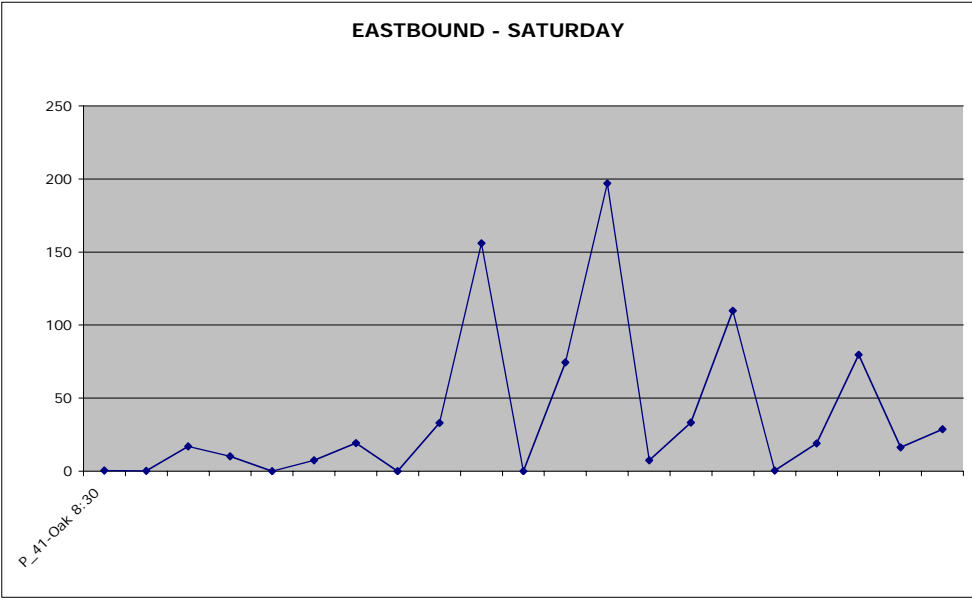


Figure A.7 AOFS Westbound Trends, Sundays

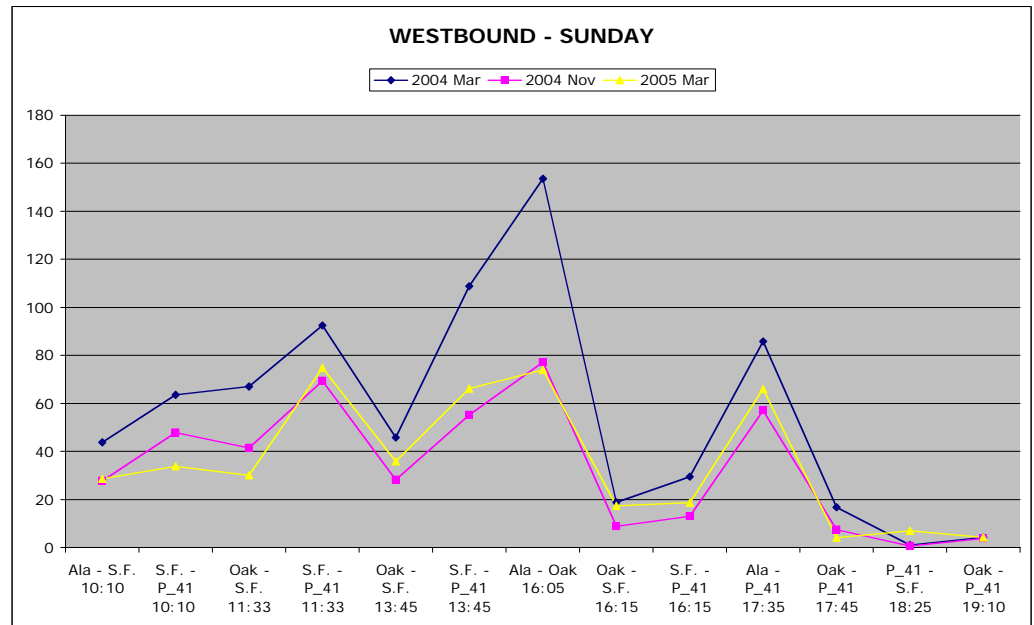


Figure A.8 AOFS Westbound Trends, Sundays July 2004

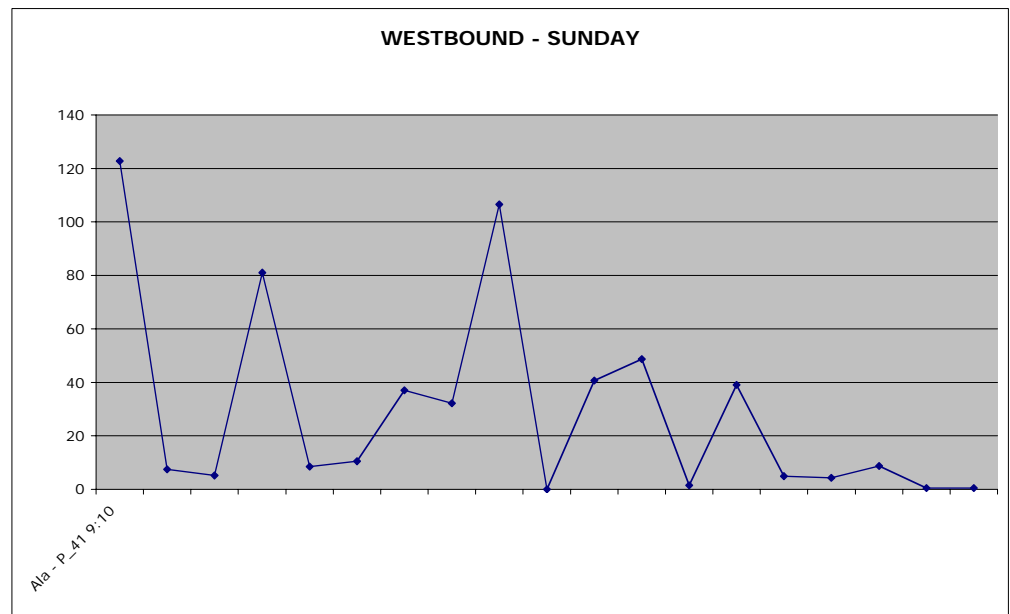


Figure A.9 AOFS Eastbound Trends, Sundays

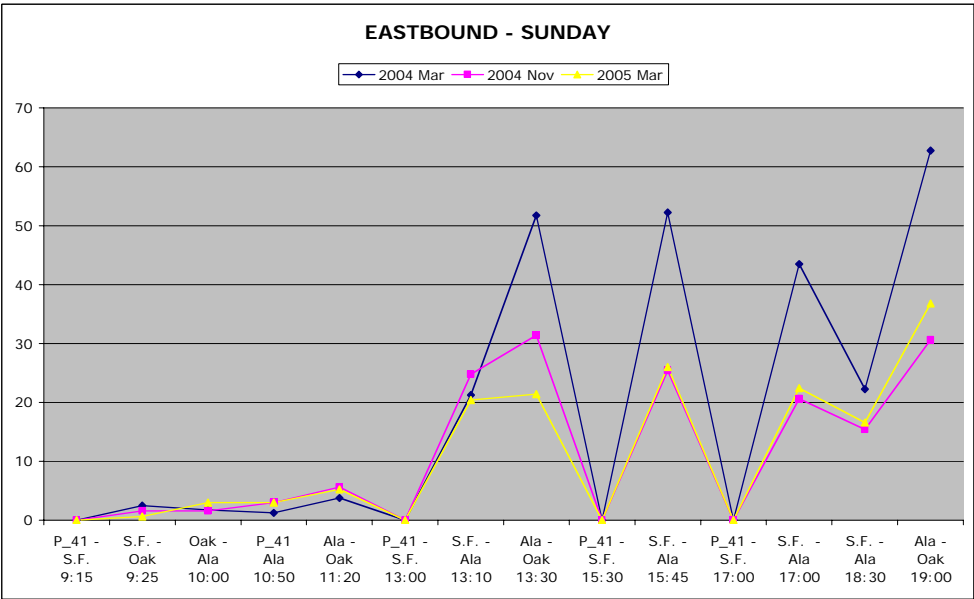
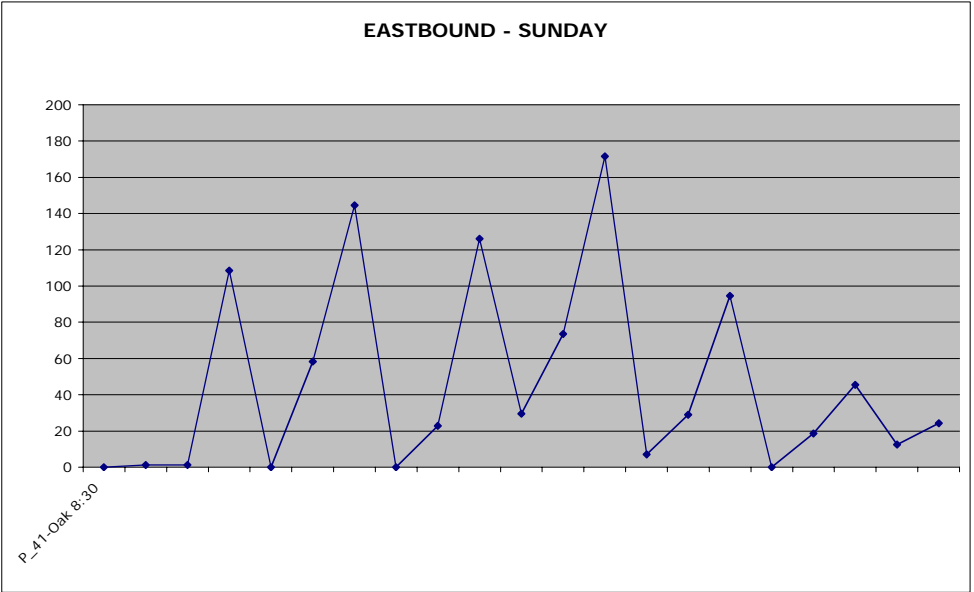


Figure A.10 AOFS Eastbound Trends, Sundays July 2004



Detailed Financial Projections

This section provides detailed financial projections, supporting assumptions, and data sources for the Basic Operational Plan.

All dollars shown are in nominal dollars in year of expenditure. An inflation rate of 3.5% annually has been used for these projections.

Table B.1 Basic Operational Plan

	<i>Growth Factor</i>	<i>FY 05-06</i>	<i>FY 06-07</i>	<i>FY 07-08</i>	<i>FY 08-09</i>	<i>FY 09-10</i>	<i>FY 10-11</i>	<i>FY 11-12</i>	<i>FY 12-13</i>	<i>FY 13-14</i>	<i>FY 14-15</i>	<i>FY 15-16</i>
Projected Operating Hours		6,494	6,494	6,494	6,494	6,494	6,494	6,494	6,494	6,494	6,494	6,494
Projected Expenses	3.5% (7)	\$4,655,895	\$4,818,851	\$4,987,511	\$5,162,074	\$5,342,747	\$5,529,743	\$5,723,284	\$5,923,599	\$6,130,925	\$6,345,507	\$6,567,600
Alameda Oakland FS		\$3,432,595	\$3,552,736	\$3,677,082	\$3,805,779	\$3,938,982	\$4,076,846	\$4,219,536	\$4,367,219	\$4,520,072	\$4,678,275	\$4,842,014
Operating Hours		4,842	4,842	4,842	4,842	4,842	4,842	4,842	4,842	4,842	4,842	4,842
Cost/Hour		\$709	\$734	\$759	\$786	\$814	\$842	\$871	\$902	\$934	\$966	\$1,000
Alameda Harbor Bay		\$1,223,300	\$1,266,116	\$1,310,430	\$1,356,295	\$1,403,765	\$1,452,897	\$1,503,748	\$1,556,379	\$1,610,852	\$1,667,232	\$1,725,585
Operating Hours		1652	1652	1652	1652	1652	1652	1652	1652	1652	1652	1652
Cost/Hour		\$740	\$766	\$793	\$821	\$850	\$879	\$910	\$942	\$975	\$1,009	\$1,045
Passenger Fare Projection		\$2,239,500	\$2,341,515	\$2,448,332	\$2,560,182	\$2,677,308	\$2,799,963	\$2,928,415	\$3,062,943	\$3,203,840	\$3,351,415	\$3,505,990
Alameda Oakland FS	5% (5)	\$1,741,500	\$1,828,575	\$1,920,004	\$2,016,004	\$2,116,804	\$2,222,644	\$2,333,777	\$2,450,465	\$2,572,989	\$2,701,638	\$2,836,720
Alameda Harbor Bay	3% (6)	\$498,000	\$512,940	\$528,328	\$544,178	\$560,503	\$577,318	\$594,638	\$612,477	\$630,852	\$649,777	\$669,270
Required Operating Subsidy		\$2,416,395	\$2,477,336	\$2,539,179	\$2,601,892	\$2,665,439	\$2,729,780	\$2,794,869	\$2,860,656	\$2,927,084	\$2,994,092	\$3,061,609
Subsidy Sources												
MTC 5% Southern Bridge Group	1% (1)	\$1,401,102	\$1,415,113	\$1,429,264	\$1,443,557	\$1,457,992	\$1,472,572	\$1,487,298	\$1,502,171	\$1,517,193	\$1,532,365	\$1,547,688
MTC 2% Tolls (capital fund)												
Southern Bridge Group	1% (1)	\$516,594	\$521,760	\$526,978	\$532,247	\$537,570	\$542,945	\$548,375	\$553,859	\$559,397	\$564,991	\$570,641
Alameda Measure B Ferry Alloc.	4% (2)	\$753,307	\$783,439	\$814,777	\$847,368	\$881,263	\$916,513	\$953,174	\$991,301	\$1,030,953	\$1,072,191	\$1,115,078
Port of Oakland Contribution	2% (3)	\$83,325	\$84,992	\$86,691	\$88,425	\$90,194	\$91,998	\$93,837	\$95,714	\$97,629	\$99,581	\$101,573
Harbor Bay Business Park fees	10.7% (4)	\$90,000	\$99,630	\$110,290	\$122,091	\$135,155	\$149,617	\$165,626	\$183,348	\$202,966	\$224,683	\$248,725
Alameda Transportation Improvement Fund		\$217,400	\$220,000	\$220,000								
Total Subsidy Funds Available		\$3,061,728	\$3,124,934	\$3,188,000	\$3,033,688	\$3,102,173	\$3,173,645	\$3,248,310	\$3,326,393	\$3,408,137	\$3,493,811	\$3,583,706
Projected Net/Capital Reserve		\$645,333	\$647,597	\$648,821	\$431,796	\$436,734	\$443,866	\$453,441	\$465,736	\$481,053	\$499,719	\$522,096
Cumulative Reserve			\$1,292,930	\$1,941,751	\$2,373,547	\$2,810,282	\$3,254,147	\$3,707,588	\$4,173,325	\$4,654,377	\$5,154,096	\$5,676,192
This table assumes 3.5% annual inflation rate												

Sources:

- (1) MTC Projections
- (2) Tess Langyel, ACTIA
- (3) Fajans projection
- (4) Steve Brimhall, HBBP
- (5) 3% annual fare increase, 2% annual passenger growth
- (6) 3% annual fare increase, no passenger growth
- (7) Fajans projection

10-Year Ferry Maintenance Plan

This Appendix outlines the proposed maintenance plan for vessels and facilities for the Alameda/Oakland Ferry Service and Harbor Bay Ferries.

A separate summary table is presented for each ferry service. For vessel maintenance, predictable, recurring expenses and expected intervals are estimated for each function, e.g., General Machinery Maintenance, General Hull Maintenance, Machinery Maintenance Contract, Major Engine Overhauls, Generators, Annual Inspections, Waterjet or Shafts/Props Overhauls, etc. One time expenses, such as replacement of the Jet tunnels on the *M/V Bay Breeze*, are also listed where warranted.

For each service, periodic float maintenance is also included.

Source: City of Alameda Ferry Program.

Table C.1 10-Year Ferry Maintenance Plan, Alameda/Oakland Ferry Service

ALAMEDA/OAKLAND FERRY SERVICE				<i>For dollar amounts in specific years, amounts shown in \$1,000's</i>											Total	Average-/
	Periodicity	Oper	Eng Hrs	Cost per	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014		
		Hours	Drydock		Infl Rt	0.035	0.035	0.035	0.035	0.035	0.035	0.035	0.035	0.035	10 Years	Year
				Cum Infl rate	0.035	0.07	0.105	0.14	0.175	0.21	0.245	0.28	0.315			
M/V PERALTA		Per Yr	Jan 05	Eng Hrs												
<i>350 Pax Prop Cummins KTA 50 Power</i>		<i>3,000</i>	<i>10,000</i>	<i>Mid year</i>	<i>11,500</i>	<i>14,500</i>	<i>17,500</i>	<i>20,500</i>	<i>23,500</i>	<i>26,500</i>	<i>29,500</i>	<i>32,500</i>	<i>35,500</i>	<i>38,500</i>		
General Machinery Main	Annual			\$101,250	\$101	\$105	\$108	\$112	\$116	\$120	\$124	\$129	\$133	\$138	\$1,184,871	\$118,487
General Hull Maintenance	Annual			\$101,250	\$101	\$105	\$108	\$112	\$116	\$120	\$124	\$129	\$133	\$138	\$1,184,871	\$118,487
Machinery Maint, Contract	Periodic			\$38,370	\$42	\$43	\$45	\$47	\$48	\$50	\$52	\$53	\$55	\$57	\$492,719	\$49,272
Major Overhaul Main Engines	20,000			\$387,307				\$428						\$509	\$937,283	\$93,728
Reduction Gears Overhaul				\$70,000										\$92	\$92,050	\$9,205
Generators	10,000			\$2 / hr	\$6	\$6	\$6	\$7	\$7	\$7	\$7	\$8	\$8	\$8	\$70,388	\$7,039
Annual Inspections, USCG, etc.	Yearly			\$22,500	\$23	\$24	\$25	\$26	\$26	\$27	\$28	\$29	\$30	\$31	\$269,822	\$26,982
Drydock, C&P	2 years		May 06	\$70,000		\$72		\$77		\$82		\$87		\$92	\$411,250	\$41,125
Shafts, Props	2-5 years			\$20,000				\$22				\$25			\$47,000	\$4,700
Contract deck and hull work	Yearly			\$80,000	\$80	\$83	\$86	\$89	\$92	\$95	\$98	\$102	\$105	\$109	\$938,511	\$93,851
General Machinery Maintenance															Total	\$5,628,764
M/V ENCINAL															<i>\$ per hour ></i>	<i>\$188</i>
<i>350 Pax Prop MTU 12V4000 Power</i>		<i>2,500</i>	<i>2,800</i>	<i>Eng Hrs</i>	<i>4,050</i>	<i>6,550</i>	<i>9,050</i>	<i>11,550</i>	<i>14,050</i>	<i>16,550</i>	<i>19,050</i>	<i>21,550</i>	<i>24,050</i>	<i>26,550</i>		
General Machinery Maintenance	Annual			\$101,250	\$101	\$105	\$108	\$112	\$116	\$120	\$124	\$129	\$133	\$138	\$1,184,871	\$118,487
General Hull Maintenance	Annual			\$101,250	\$101	\$105	\$108	\$112	\$116	\$120	\$124	\$129	\$133	\$138	\$1,184,871	\$118,487
Machinery Maint, Contract	Periodic			\$43,990	\$55	\$57	\$59	\$61	\$63	\$65	\$68	\$70	\$72	\$75	\$645,227	\$64,523
Major Overhaul Main Engines	24,000			\$364,111									\$466		\$466,062	\$46,606
Generators	10,000			\$2 / hr	\$5	\$5	\$5	\$6	\$6	\$6	\$6	\$6	\$7	\$7	\$58,657	\$5,866
Annual Inspections, USCG, etc.	Yearly			\$22,500	\$23	\$24	\$25	\$26	\$26	\$27	\$28	\$29	\$30	\$31	\$269,822	\$26,982
DD, C&P	2 years		Aug 05	\$70,000		\$72		\$77		\$82		\$87		\$92	\$411,250	\$41,125
Shafts, Props	2-5 years			\$20,000			\$21				\$24				\$44,200	\$4,420
Contract deck and hull work	Yearly			\$80,000	\$80	\$83	\$86	\$89	\$92	\$95	\$98	\$102	\$105	\$109	\$938,511	\$93,851
															Total	\$5,203,471
															<i>\$ per hour ></i>	<i>\$208</i>
MAIN STREET FLOAT																
Fender & Mooring Maint	Annual			\$12,000	\$12	\$12	\$13	\$13	\$14	\$14	\$15	\$15	\$16	\$16	\$140,777	\$14,078
Drydock	10 years		June 05	\$200,000	\$200										\$200,000	\$20,000
Coatings	10 years			inc											\$-	\$-
Piling Maintenance	10 years			inc											\$-	\$-
					\$200	Estimate									\$200,000	\$20,000
															Total	\$540,777
This table assumed 3.0% annual inflation rate															SUBTOTAL	\$1,137,301

Table C.2 10-Year Ferry Maintenance Plan, Harbor Bay Ferry Service

HARBOR BAY FERRY SERVICE					<i>For dollar amounts in specific years, amounts shown in \$1,000's</i>											
	Periodicity	Oper	Eng Hrs	Cost per	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	Total	Average/
		Hrs	Drydock		Infl Rt	0.035	0.035	0.035	0.035	0.035	0.035	0.035	0.035	0.035	10 Years	Year
					Cum Infl rate	0.035	0.07	0.105	0.14	0.175	0.21	0.245	0.28	0.315		
M/V BAY BREEZE																
<i>250 Pax Waterjet MTU 16v2000 Power</i>		<i>2,500</i>	<i>2,600</i>	<i>Eng Hrs</i>	<i>3,850</i>	<i>6,350</i>	<i>8,850</i>	<i>11,350</i>	<i>13,850</i>	<i>16,350</i>	<i>18,850</i>	<i>21,350</i>	<i>23,850</i>	<i>26,350</i>		
General Machinery Maintenance	Annual			\$32,400	\$30	\$31	\$32	\$33	\$34	\$36	\$37	\$38	\$40	\$41	\$351,942	\$35,194
General Hull Maintenance	Annual			\$32,400	\$30	\$31	\$32	\$33	\$34	\$36	\$37	\$38	\$40	\$41	\$351,942	\$35,194
Machinery Maint. Contract	Periodic			\$24,142	\$24	\$25	\$26	\$27	\$28	\$29	\$30	\$31	\$32	\$33	\$281,553	\$28,155
Major Overhaul Main Engines	12,000			\$217,365				\$240					\$286		\$526,023	\$52,602
Generators	10,000			\$2 / hr	\$5	\$5	\$5	\$6	\$6	\$6	\$6	\$6	\$7	\$7	\$58,657	\$5,866
Annual Inspections, USCG, etc.	Yearly			\$7,200	\$12	\$12	\$13	\$13	\$14	\$14	\$15	\$15	\$16	\$16	\$140,777	\$14,078
DD, C&P	2 years		Aug 05	\$58,000	\$58		\$62		\$66		\$70		\$74		\$330,600	\$33,060
Waterjet Overhaul	2-4 years			\$100,000	\$100		\$107		\$114		\$118		\$104		\$542,000	\$54,200
Jet tunnel replacement	2005			\$150,000	s										\$150,000	\$15,000
Contract deck and hull work	Yearly			\$60,000	\$60	\$62	\$64	\$67	\$69	\$71	\$74	\$76	\$79	\$82	\$703,884	\$70,388
														Total	\$3,437,378	\$343,738
M/V HARBOR BAY EXPRESS II															\$ per hour >	\$137
<i>149 Pax Prop MAN 10 cyl</i>		<i>500</i>	<i>1,200</i>	<i>Eng Hrs</i>	<i>1,450</i>	<i>1,950</i>	<i>2,450</i>	<i>2,950</i>	<i>3,450</i>	<i>3,950</i>	<i>4,450</i>	<i>4,950</i>	<i>5,450</i>	<i>5,950</i>		
General Machinery Maintenance	Annual			\$10,800	\$8	\$8	\$9	\$9	\$9	\$10	\$10	\$10	\$11	\$11	\$93,851	\$9,385
General Hull Maintenance	Annual			\$10,800	\$8	\$8	\$9	\$9	\$9	\$10	\$10	\$10	\$11	\$11	\$93,851	\$9,385
Major Overhaul Main Engines	12,000			\$35,000	@ 10,000 hours										\$-	\$-
Generators	10,000			\$2 / hr	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$1	\$11,731	\$1,173
Annual Inspections, USCG, etc.	Yearly			\$2,400	\$3	\$3	\$3	\$3	\$3	\$4	\$4	\$4	\$4	\$4	\$35,194	\$3,519
DD, C&P	2 years		June 05	\$34,000			\$36		\$39		\$41		\$44		\$159,800	\$15,980
Shafts, Props	2-5 years			\$12,000					\$13				\$15		\$28,200	\$2,820
Contract deck and hull work	Yearly			\$30,000	\$30	\$31	\$32	\$33	\$34	\$36	\$37	\$38	\$40	\$41	\$351,942	\$35,194
														Total	\$774,570	\$77,457
HARBOR BAY FLOAT															\$ per hour >	\$130
Fender & Mooring Maintenance	Annual			\$8,000	\$12	\$12	\$13	\$13	\$14	\$14	\$15	\$15	\$16	\$16	\$140,777	\$14,078
Drydock	10 years		2	\$150,000		\$150									\$150,000	\$15,000
Coatings	10 years			included											\$-	\$-
Piling Maintenance	10 years			included											\$-	\$-
Unknown Conditions					\$150	Estimate									\$150,000	\$15,000
														Total	\$440,777	\$44,078
														SUBTOTAL	\$4,652,724	\$465,272
This table assumed 3% annual inflation rate														GRAND TOTAL	\$16,025,736	\$1,602,574

Glossary of Terms & Acronyms

This section provides definitions for the most common terms and acronyms used and referenced in *Short Range Transit Plans* and related to ferry service.

ACTIA

Alameda County Transportation Improvement Authority. County-wide agency in Alameda County whose designated function is administration of a voter-approved sales tax for transportation purposes. A portion of the sales tax funds Alameda ferry services.

AOFS

The Alameda Oakland Ferry Service is the ferry route that operates between terminals in Alameda, Oakland, the San Francisco Ferry Building, and Pier 41 near Fisherman's Wharf in northeast San Francisco.

Federal Transit Administration (FTA)

The FTA is the federal agency, a subunit of the U.S. Department of Transportation responsible for funding of urban public transportation systems in the United States of America.

HBBP

Harbor Bay Business Park, located on Bay Farm Island in Alameda. HBBP provides a portion of Harbor Bay Ferry subsidy funding.

AHBF

The Alameda Harbor Bay Ferry is the ferry route that operates weekday commute period service between Bay Farm Island in Alameda and the downtown San Francisco ferry terminal located at the San Francisco Ferry Building.

Metropolitan Transportation Commission (MTC)

The San Francisco Bay Area's regional transportation planning agency, which is responsible for region-wide transportation planning, planning of major regional transportation programs, financial planning, and allocation of various transportation funds from the State of California and the Federal government.

RVH

Revenue vehicle hour, when a transit service is “in service” and available for use by paying passengers. When referring to ferry service, this term is interchangeable with “revenue vessel hours.”

RVM

Revenue vehicle mile, when a transit service is “in service” and available for use by paying passengers. When referring to ferry service, this term is interchangeable with “revenue vessel miles.”

Short Range Transit Plan (SRTP)

In effect, the “business plan” that is periodically required for public transit systems funded by the Metropolitan Transportation Commission (MTC) and the Federal Transit Administration (FTA).

Bibliography

City of Alameda, *Alameda Point Reuse Plan*, 2000.

Metropolitan Transportation Commission, *Bridge Toll Revenue Estimates for the FY2005-06 SRTP*.

MTC, *SRTP Guidelines*, (MTC Resolution 3532)

MTC, *State of the System*, 2004

MTC, *Statistical Summary of Bay Area Transit Operators*, 2002-03.

Pacific Transit Management Corporation, *Alameda Transit Plan*, Dec. 2000.

PTM (prepared for Metropolitan Transportation Commission), *San Francisco Bay Area Regional Ferry Plan Update*, March 1999.

Websites

www.eastbayferry.com

www.Alamedaharborbayferry.com

www.mtc.ca.gov/funding/RM2/index.htm

Persons Contacted

Paul Bishop, General Manager, Harbor Bay Maritime

Julie Braun, Commercial Representative, Port of Oakland

Steve Castleberry, Executive Director, Water Transit Authority

Alan Eliot, SRTP Program Manager, MTC

Tess Langyel, Programs and Public Affairs Manager, Alameda County
Transportation Authority

Kate Miller, Programming and Allocations, MTC

Ernest Sanchez, Ferry Manager, City of Alameda

John Sindzinski, Director of Planning, Water Transit Authority

[Table C.2 10-Year Ferry Maintenance Plan, Harbor Bay Ferry Service](#)

CITY OF ALAMEDA MEMORANDUM

Date: November 29, 2005

To: Honorable Mayor and
Councilmembers

Fm: Debra Kurita
City Manager

Re: Recommendation to Adopt Specifications and Authorize Calling for Bids
for Five Police Communications Center Workstations

BACKGROUND

The City of Alameda purchasing policy requires the City Council to review and approve the specifications for materials that are estimated to cost in excess of \$25,000 prior to the initiation of a formal bid process. The Alameda Police Department's analysis has determined the five Communications Center workstations should be upgraded to optimize functionality.

DISCUSSION/ANALYSIS

The Communications Center workstations were purchased 10 years ago at a cost of \$35,940.00. The workstations are the primary component of the Communications Center, housing the Computer Aided Dispatch stations, telephone systems and radio equipment. The workstations have served the department and community well; however, to sustain functionality and remain contemporary upgrades are warranted.

MUNICIPAL CODE/POLICY DOCUMENT CROSS REFERENCE

This action does not affect the municipal code.

BUDGET CONSIDERATION/FINANCIAL IMPACT

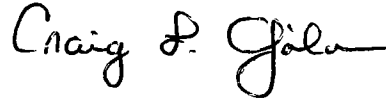
The estimated cost to purchase five Communications Center workstations is \$40,000.00 and will include all parts, tax and installation. Funds for these expenditures are available in a Fiscal Year 04/05 Citizens for Public Safety Grant.

"Dedicated to Excellence, Committed to Service"

RECOMMENDATION

Adopt the specifications and authorize the initiation of the competitive bid process for the replacement purchase of five Communications Center workstations.

Respectfully submitted,

A handwritten signature in black ink, reading "Craig L. Ojala". The signature is written in a cursive style with a long horizontal stroke at the end.

Craig L. Ojala
Interim Chief of Police

Attachment

Specifications for Police Communications Center Workstations

Five Police Communications Center Workstations which provide the tabletop for CAD/RMS E911/911 emergency, non emergency phones and radio equipment.

Materials	Heavy-duty gauge steel w/detachable skins (panels)
Display Walls	Gauge steel; 12" and 16" heights
Work Surface Base	Steel sections
Work Surface	24 x 30 work surfaces out of dense core material
Size	24W x 16H Profile Display Walls, Double Sided
Modularity	Standard modular equipment for a 24/7 operation
Ergonomics	Dual lift, adjustable electronic height mechanisms
Monitor Platform	Electronic height adjustability
Keyboard Platform	Ergonomic version with dual lift
Technology Storage	Vent cabinet storage for computer components
Workstation Durability	24/7 environment – steel core
Accessories	Binder storage cabinet, file drawers per station

CITY OF ALAMEDA

MEMORANDUM

To: The Honorable Mayor
and Members of the City Council

From: Debra Kurita
City Manager

Date: November 23, 2005

Re: Recommending Acceptance of Affordable Housing Ordinance Annual Review

Background

On December 19, 1989, the City Council adopted the Affordable Housing Ordinance, which was created to mitigate the housing impacts caused by new or expanded non-residential construction. The ordinance established the City's Affordable Housing Unit/Fee (AHUF) requirements as Section 27-1 of the Alameda Municipal Code and states that these requirements can be satisfied either by the provision of housing units affordable to low and moderate income households or by the payment of an in-lieu fee. The fees remained the same from 1989 to Spring 2001. In June 2001, the City Council increased the in-lieu fee by 15 percent as an adjustment for prior inflation. The City Council also provided for an annual fee adjustment to reflect changes in construction costs.

The Municipal Code mandates that the City Council review the unit/fee requirements on an annual basis to determine whether they are reasonably related to the impacts of development and whether the affordable housing units, programs and activities are still needed. This report is intended to satisfy the annual review requirement for the fiscal year ending June 30, 2005.

Discussion/Analysis

At the time of building permit application, a developer must satisfy the affordable housing requirement either by providing affordable units or by paying an in-lieu fee. To date, two developers have provided units, which the City monitors to ensure that long-term affordability is maintained. All other developers have paid an in-lieu fee instead of providing housing units.

Report 4-F Consent
12-06-05

The ordinance provides developers with a process to apply for an adjustment or waiver of the affordable housing requirement if there is no reasonable relationship between a particular project and the need for affordable housing. The appeal process includes a review by the Development Services Director and the City Council, which makes the final decision.

The original study utilized to establish the affordable housing requirements found that construction or expansion of non-residential development was a major factor in attracting new employees to the City, which in turn created a need and demand for additional housing in the City, and specifically for additional affordable housing. This study has been reviewed, and its findings continue to be relevant. The City's affordable housing requirements are still reasonably related to the impacts of non-residential development.

In addition, the City's affordable housing units, programs and activities are still needed. The City has not yet satisfied the goals established in the Housing Element for affordable housing, and the average market price of housing is well beyond the reach of households at very low, low and moderate income levels. High land costs and scarcity of land available for development hinder the provision of affordable housing units solely through private action. Affordable housing rents and purchase prices remain below the level necessary to stimulate new construction, and federal and state housing finance and subsidy programs remain insufficient by themselves to satisfy affordable housing needs.

The Affordable Housing Ordinance establishes a method for increasing the fee annually. The fee increase is based on the increase in local cost of construction, as reported by the Engineering News Report Construction Price Index for San Francisco. From June 2004 to June 2005, the cost of construction rose by 1.7 percent; therefore, the revised AHUF fees included in the Master Fee schedule effective July 1, 2005 were increased by 1.7%. The following table lists the adjusted fees by development type:

	FY 2004-05 Fee (per sq ft)	Adjustment of 1.7%	FY 2005-06 Fee (per sq ft)
Office/R&D	\$3.79	+\$0.06	\$3.85
Retail	\$1.92	+\$0.03	\$1.95
Warehouse/Industrial	\$0.66	+\$0.01	\$0.67
Manufacturing	\$0.66	+\$0.01	\$0.67
Hotel/Motel	\$972/room	+\$16.00	\$988/room

Fiscal Impact

The Affordable Housing Ordinance has no impact on the General Fund. By ordinance, funds from affordable housing fees are sequestered in a special fund that can only be used for eligible housing purposes specified in the ordinance.

From July 1, 2004, through June 30, 2005, a total of \$153,644 in fees was collected. Expenditures from the fund supported the City's first time homebuyer programs. Attachment A describes the beginning and ending fund balances and fund activity for fiscal year 2004-2005.

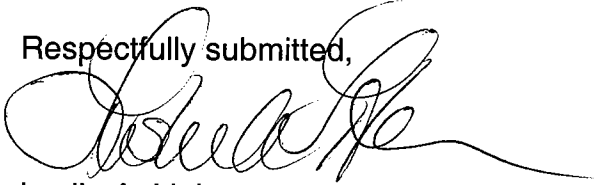
Municipal Code/Policy Document Cross Reference

This Annual Review is consistent with the requirements of Section 27-1 (Affordable Housing Unit/Fee Requirements) of the Alameda Municipal Code and California Government Code Section 66006.

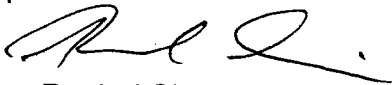
Recommendation

It is recommended that this report be accepted in order to satisfy the Annual Review requirement of the Affordable Housing Ordinance.

Respectfully submitted,



Leslie A. Little
Development Services Director



By: Rachel Silver
Development Manager, Housing

LL\RS:sb

cc: Finance Director

**CITY OF ALAMEDA
FUND 266 AFFORDABLE HOUSING UNIT/FEE FUND
BEGINNING AND ENDING FUND BALNCES
FUND ACTIVITY FOR FISCAL YEAR 2004-05**

Beginning Fund Balance			\$ 166,413.00
New Revenues			
Affordable Housing Fees	\$153,664.33		
Interest Allocation	3,780.33		
Inerest Payments from loans	3,341.73		
Principal Payments from loans	60,728.47		
Other Misc Revenues (loan fees)	380.00		
Traansfer In from Gen Fund			
(Mortgage Credit Certificate Program)	1,000.00		
Total New Revenues			\$ 222,894.86
Expenditures and Encumbrances			
Operating			
Administration	\$ 68,811.96		
Transfer Out to Gen Fund (Cost Allocation)	\$ 99,600.75		
Encumbrances			
Downpayment Assistance Loans	\$190,473.00		
First Time Homebuyer workshops and loan delivery	\$ 12,790.00		
Projects			
Downpayment Assistance Loans	\$ -		
First Time Homebuyer workshops	\$ 1,000.00		
Housing Website	\$ 530.00		
Mortgage Credit Certificate Program -payment to County	\$ 1,000.00		
Total Expenditures and Encumbrances			\$ 374,205.71
Ending Fund Balance			<u>\$ 15,102.15</u>

CITY OF ALAMEDA

MEMORANDUM

To: The Honorable Mayor
and Members of the City Council

From: Debra Kurita
City Manager

Date: November 28, 2005

Re: Recommending Acceptance of Public Art Ordinance Annual Review

Background

On March 4, 2003 the City Council adopted Ordinance 2892 which created the Alameda Public Art Program. The intent of the program is to promote a diverse and stimulating cultural environment to enrich the lives of the City's residents and visitors and to contribute to the vitality of the City's economic development. The Ordinance provides that private and municipal building projects, with an assessed valuation of \$250,000 and over, contribute 1% of the building development costs toward on-site public artwork, cultural programs, or cultural facilities. The maximum amount that each project is required to contribute to the provision of public art is \$150,000.

The California Government Code mandates that a local agency establish a separate fund for fees, such as public art fees, paid in connection with the approval of a development project. The Code also requires a local agency to prepare an annual report that provides information regarding the amount of fees collected and expended and the fund balance at both the beginning and end of the fiscal year. This report is intended to satisfy the annual review requirement for the fiscal year ending June 30, 2005.

Discussion/Analysis

In Fiscal Year 04-05, the City of Alameda Public Art program administered fees for two development projects: Alameda Towne Centre and Bayship and Yacht. Fees generated by these projects totaled \$18,286. At the time of issuance of a certificate of occupancy, the applicant must satisfy the public art requirement either by providing public art or by paying an in-lieu fee. To date, no developer has paid an in-lieu fee instead of providing on-site public art.

Report 4-G Consent
12-06-05

Fiscal Impact

The Public Art Ordinance has no impact on the General Fund. By ordinance, funds from public art fees are sequestered in a special fund that can only be used for eligible public art purposes specified in the ordinance.

From July 1, 2004, through June 30, 2005, a total of \$19,221 in fees was credited to the Public Art Fund. Expenditures from the fund cover staffing of the Public Art Program and miscellaneous expenses such as postage for "call for artists" mailings. Attachment A describes the beginning and ending fund balances and fund activity for fiscal year 2004-2005.

Municipal Code/Policy Document Cross Reference

This Annual Review is consistent with the requirements of the California Government Code Section 66006.

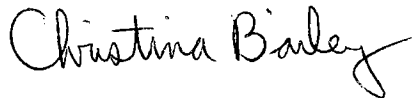
Recommendation

It is recommended that this report be accepted in order to satisfy the Annual Review requirement of the Public Art Ordinance.

Respectfully submitted,



Gregory McFann
Acting Planning & Building Director



By: Christina Bailey
Manager, Public Art Program

Attachment

Beginning and Ending Fund Balances and Fund Activity for Fiscal Year 2004-05
FUND 285 - Public Art Fund

	Fiscal Year 2004-05
Starting Fund Balance	10,843.84
Revenue	
Administration Fees	18,285.90
Interest Allocation	290.54
Other Misc Revenues (Non Project)	644.28
Total Revenue	19,220.72
Expenditures	
Operating	
Administration	15,000.00
Total Expenditures	15,000.00
Ending Fund Balance	15,064.56

CITY OF ALAMEDA

MEMORANDUM

Date: November 28, 2005

To: Honorable Mayor
and Councilmembers

From: Debra Kurita
City Manager

Re: Recommendation to Accept Impact Fee Report for Police and Fire Services

BACKGROUND

On March 21, 1990, the City Council adopted the Police and Fire Fee Ordinance, which serves to mitigate the impacts caused by new construction on Police and Fire services. The ordinance established the City's Police and Fire Services Fee requirements as Section 27-2 of the Alameda Municipal Code and states that this fee is required for all new construction. The original fee was 12 cents per square foot. In 1991, the fee was increased to 14 cents per square foot and in February 1995 it was increased to 15.5 cents per square foot.

The Municipal Code requires that the City Council review the fee requirements on an annual basis to determine whether they are reasonably related to the impacts of new construction and whether the fee is still needed. This report is intended to satisfy the annual review requirement for the fiscal year ending June 30, 2005.

DISCUSSION/ANALYSIS

At the time of final inspection or date of certificate of occupancy, whichever is first, the developer must pay the Police and Fire Services Fee. The ordinance provides developers with a process of appealing by applying for an adjustment or waiver of the Police and Fire Services Fee. Award of appeals is based on the absence of any reasonable relationship or nexus between the police and fire service impacts of the new construction and the payment of the Police And Fire Fee. The appeal process includes a public hearing and a decision by the City Council.

BUDGET CONSIDERATION/FINANCIAL IMPACT

The Police and Fire Services Fee Ordinance has no impact on the General Fund. By ordinance, funds from this fee are segregated in a special account that can only be used for eligible purposes specified in the ordinance.

Honorable Mayor and
Councilmembers

November 23, 2005
Page 2

From July 1, 2004, through June 30, 2005, a total of \$82,153.83 in fees was credited to this account. In addition, \$725.96 in interest was earned and credited to the account. Expenditures from the account supported the debt service payments for the Police Building Remodel/Construction. Attachment A describes the beginning and ending fund balances and fund activity for fiscal year 2004-2005.

MUNICIPAL CODE/POLICY DOCUMENT CROSS REFERENCE

This Annual Review is consistent with the requirements of Section 27-2 (Police and Fire Fee Requirements) of the Alameda Municipal Code and California Government Code Section 66006.

RECOMMENDATION

Accept the Impact Fee Report for Police and Fire Services to satisfy the annual review requirement.

Respectfully submitted,



Juelle-Ann Boyer
Chief Financial Officer

JB:dl
Attachment

G:\FINANCE\COUNCIL\2005\120605\Police and Fire Fee Annual Report 2005.doc

Attachment A

**CITY OF ALAMEDA
POLICE AND FIRE IMPACT FEES**

Amount of Fee	15.5 Cents per square foot
Beginning Balance	\$ 5,498.93
Ending Balance	\$ 53,378.72
Fees Collected	\$ 82,153.83
Interest Earned	\$ 725.96
Public Improvement	Police Building Remodel/Construction

Expected Completion Date 2015

Interfund transfer/loan \$ 35,000.00
project identified Debt Service - Police Building

CITY OF ALAMEDA

MEMORANDUM

Date: November 16, 2005

To: Honorable Mayor and
Councilmembers

From: Debra Kurita
City Manager

Re: Recommendation to Accept the Annual Investment Report for the 2004-2005
Fiscal Year

BACKGROUND

In June 2002, the City Council authorized staff to contract with PFM Asset Management and Chandler Asset Management, Inc. for investment portfolio management.

DISCUSSION

This report covers the fourth year of the City's managed portfolio. Several goals were achieved during this reporting period.

- The portfolio diversification was enhanced to capitalize on greatest value and maturities to take advantage of the yield curve.
- The excellent credit quality was maintained.
- Exceeded the industry-standard benchmarks to provide a solid return.

During the past year, more of the portfolio was invested in Federal Agency mortgage-backed securities and high quality municipal obligations. These changes in sector distribution occurred as market conditions changed in order to achieve the benchmark return. Credit quality was slightly improved with the reduction in A rated corporate notes for AA rated notes. Approximately 60% of the portfolio remains in the 1-3 year maturity, which is the point of best relative value in the market at present.

The overall return for the managed composite portfolio since inception of the program was 2.90%. This compares favorably to the Merrill Lynch benchmark earnings of 2.47%, a difference of 0.43% or slightly more than \$250,000. The portfolio continues to outperform the Local Agency Investment Fund (LAIF) operated by the State Treasurer. In FY 2005, the yield to maturity of the City's portfolio was 3.47% as compared to LAIF's 2.85%.

Report 4-I Consent
12-06-05

As interest rates continue to be increased by the Federal Reserve, the portfolio may experience a decline in the value of existing portfolio holdings, while yield on the portfolio will rise. Portfolio value and interest rates are inversely related.

BUDGET ANALYSIS/FINANCIAL IMPACT

The value added by having outside investment managers is the ability to evaluate and focus on those maturities and sectors that may offer the best relative value. The managed portfolio earned .43% more than the benchmark, demonstrating the benefit of this approach.

RECOMMENDATION

Accept the Annual Investment Report for the 2004-2005 fiscal year.

Respectfully submitted,



Juelle-Ann Boyer
Chief Financial Officer

JAB:dl

Attachment

cc: City Treasurer

G:\FINANCE\COUNCIL\2005\120605\PFMInvestAnnual.doc



November 16, 2005

Honorable Mayor and City Council

I have reviewed the City of Alameda's Annual Investment Report for the fiscal year ending June 30, 2005 and find that it complies with the Investment Policy established by my office.

The interest of the Council is always appreciated.

Sincerely,

A handwritten signature in black ink, appearing to read "Kevin Kennedy", is written over a horizontal line.

Kevin Kennedy
City Treasurer

KK:dl

Kevin Kennedy, City Treasurer

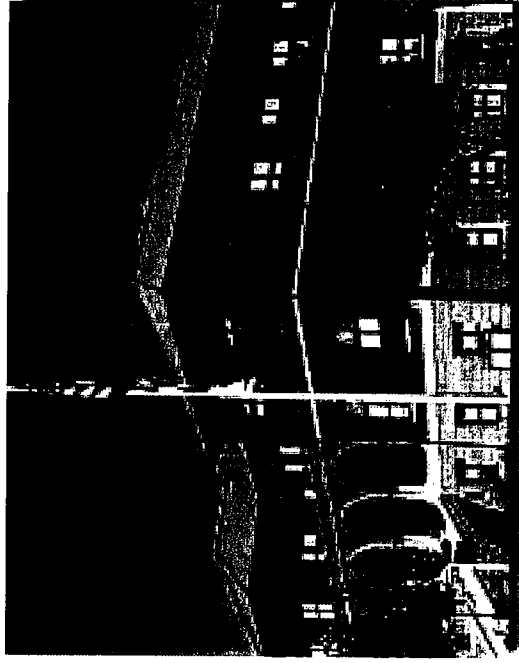
Office of the City Treasurer
2263 Santa Clara Avenue, Room 220
Alameda, California 94501-4477
510.747.4881 Office • Fax 510.747.4890 • TDD 510.522.7538

Dedicated to Excellence, Committed to Service

City of Alameda

Portfolio Review

Fiscal Year 2004-2005



Accomplishments

A L A M E D A

City hired two investment advisors (PFM Asset Management LLC and Chandler Asset Management) in June 2002.

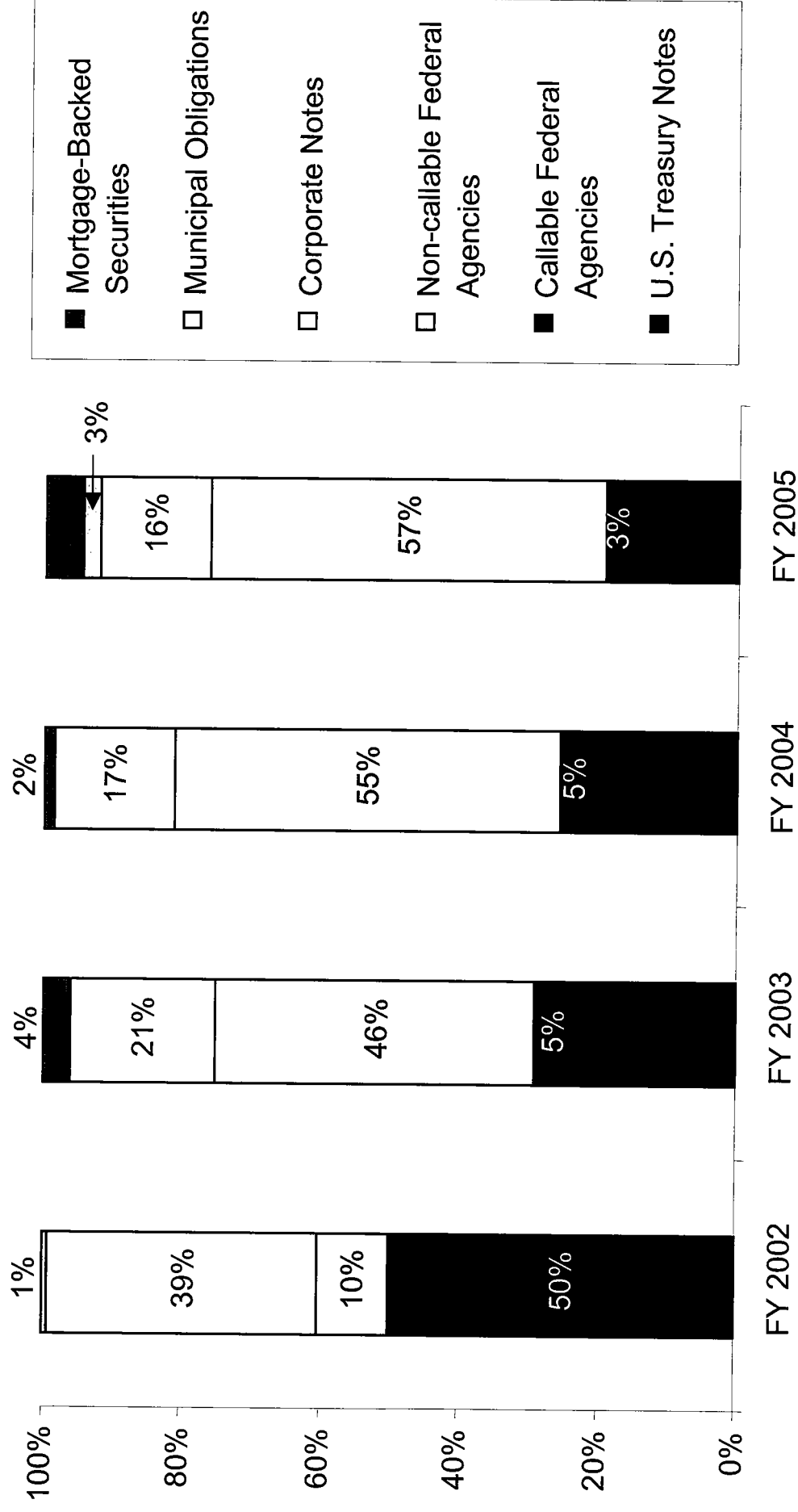
Strategies and Accomplishments:

- Enhanced portfolio diversification to capitalize on the sectors and issuers offering the greatest value in the market
- Structured portfolio maturity distribution to take advantage of the steepest portions of the yield curve
- Maintained the portfolio's excellent credit quality
- Generated a solid return that has outperformed industry-standard benchmarks

Sector Distribution

A L A M E D A

- Adjust portfolio sector distribution as market conditions change
 - Increased allocation to Federal Agency mortgage-backed securities and added high-quality municipal obligations



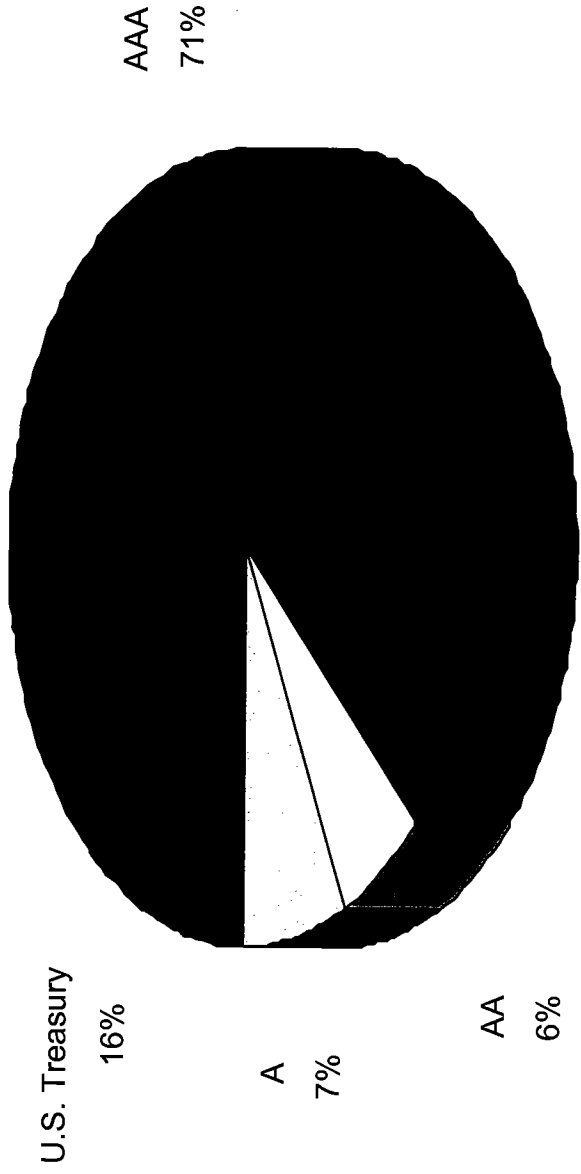
* Excludes LAIF and Money Market Fund

Credit Quality

ALLMEDI

- Overall portfolio credit quality is excellent

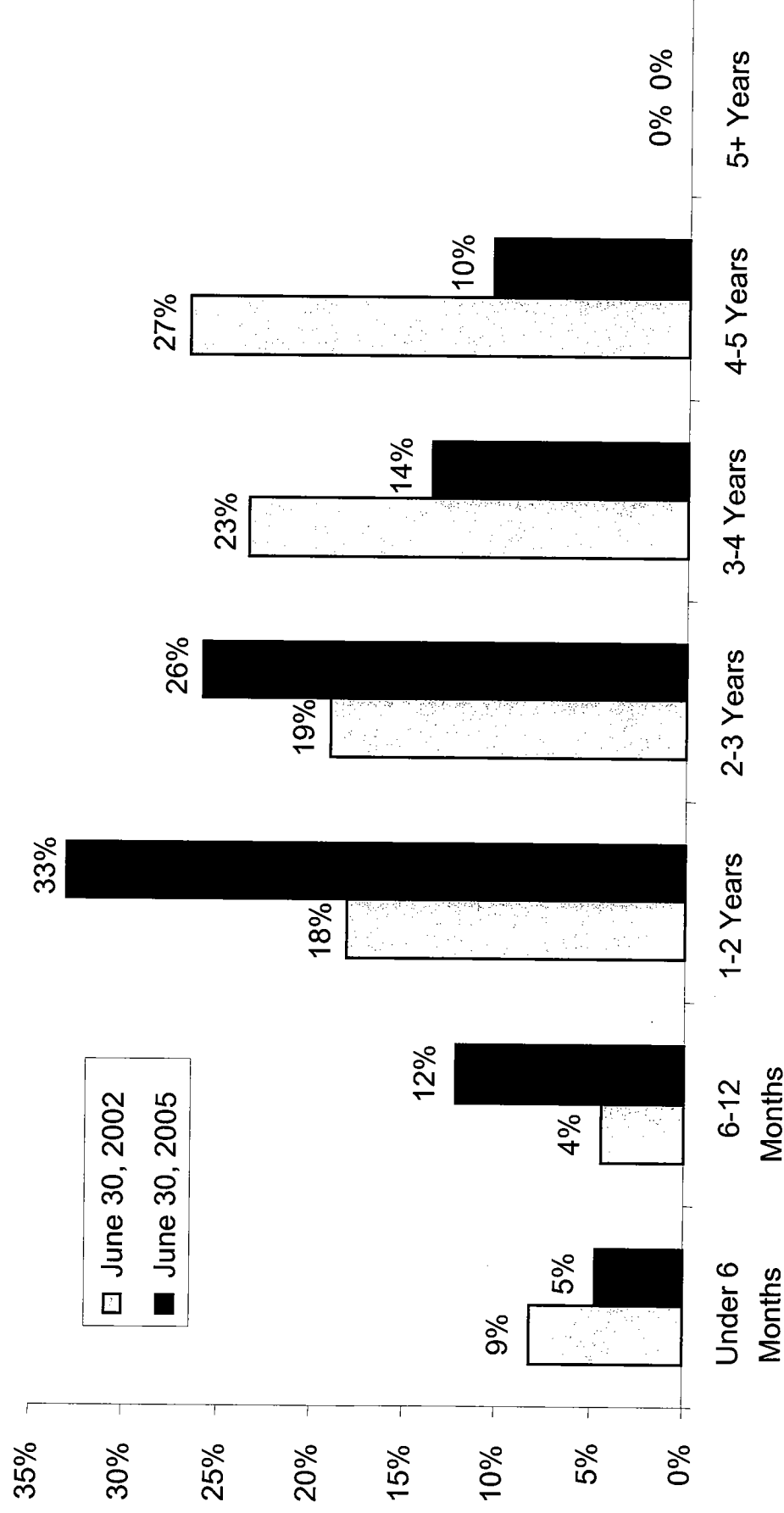
Credit Quality Distribution as of June 30, 2005



Ratings by Standard & Poor's

Maturity Distribution

- Investments are concentrated in the area of the yield curve that has the best relative value in the market.



* Excludes LAIF and Money Market Fund

Portfolio Performance

- The City's aggregate portfolio outperformed standard industry benchmarks despite having a more conservative stance relative to those benchmarks.

	Total Return Since Inception ¹
City of Alameda	2.90%
Combined Benchmark² (Merrill Lynch 1-3 Year Government Index and Merrill Lynch 1-5 Year Government Index)	2.47%

¹Inception date is July 31, 2002

²Combined benchmark performance computed using equal weighting

- The yield on cost of the City's portfolio of securities is considerably higher than that of the state pool, LAIF.

	YTM at Cost
City of Alameda	3.47%
LAIF ³	2.85%

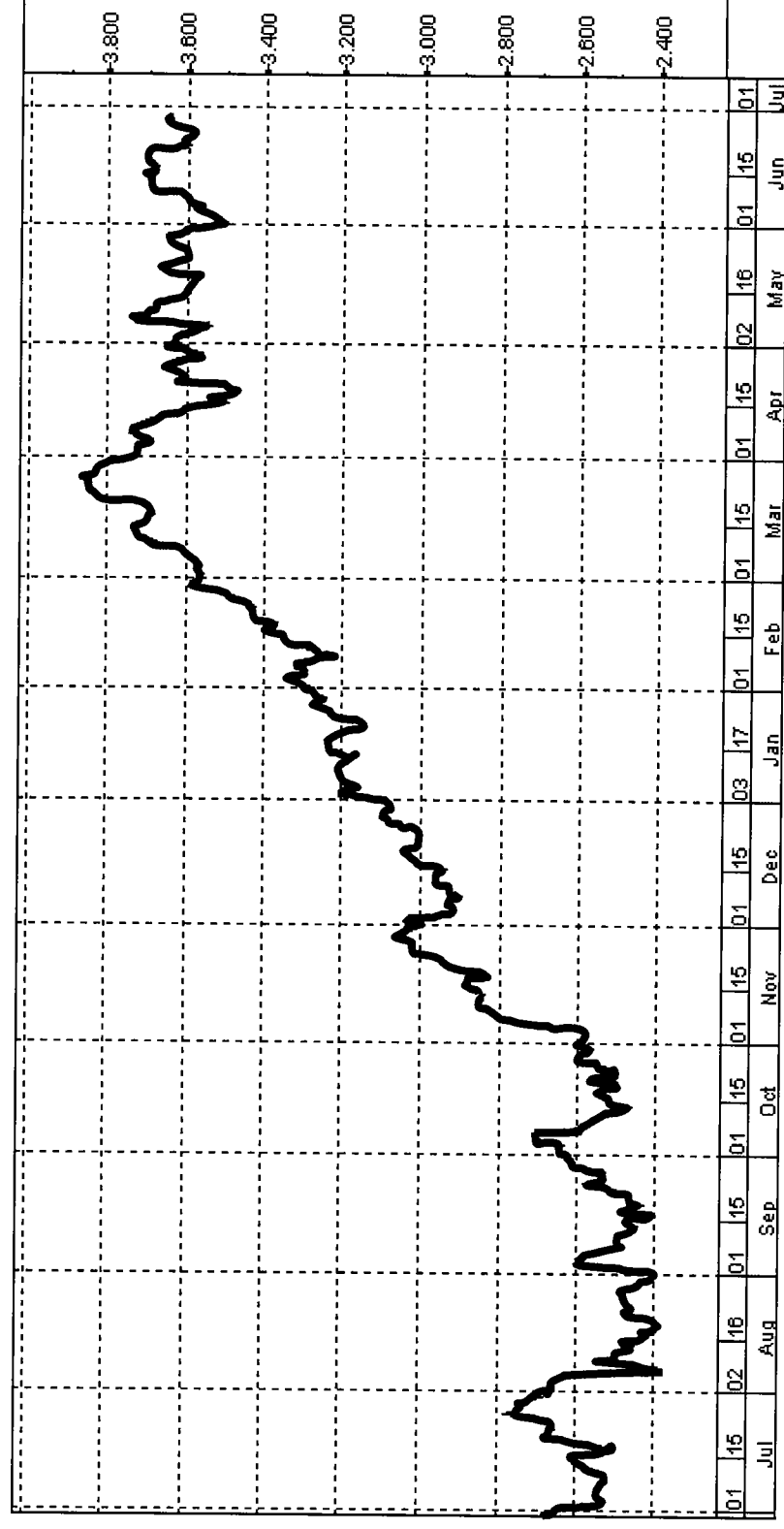
³LAIF yield shown represents quarterly apportionment rate as of June 30, 2005

Interest Rate Conditions

4 1 4 M E D 4

- Intermediate-term interest rates have risen considerably in the past year in response to Federal Reserve rate hikes.
 - Higher rates mean greater earnings for new investments but lower market values for existing securities.

2-Year U.S. Treasury Note
June 30, 2004 – June 30, 2005



Source: Bloomberg

City of Alameda

Inter-department Memorandum

Date: November 29, 2005

To: Honorable Mayor and
Councilmembers

From: Debra Kurita
City of Alameda

Re: Recommendation to Award Restaurant Concessionaire Contract to Tom
Geanekos, Owner of Jim's Coffee Shop for Exclusive Right to Sell Food
and Beverage Service at the Chuck Corica Golf Complex

BACKGROUND:

On November 1, 2005, Sports Restaurant Inc., DBA Legends and Heroes, began operations as the food and beverage concessionaire at the Chuck Corica Golf Complex. The initial term of five years and two months ended December 31, 2000. Sports Restaurant, Inc. renewed the agreement for a second term, which will end on December 31, 2005.

DISCUSSION:

On August 26, 2005 the City Council approved the Request For Proposal (RFP) and authorized the advertisement of the restaurant concessionaire proposals. A total of nineteen RFPs were sent to prospective operators. Six proposals were submitted by qualified operators.

A committee consisting of three golf commissioners and one city staff member reviewed the proposals independently and met on October 19, 2005 to discuss and rate each proposal. The committee agreed to interview all six candidates, who were invited to make a presentation before the selection committee on October 21, 2005. After the presentations, the committee unanimously ranked the top three candidates. Pursuant to the agreed upon process, negotiations began with the top ranked candidate, Tom Geanekos, owner of Jim's Coffee Shop located on Lincoln Avenue in Alameda. The contract has been approved as to form by the City Attorney's office and is on file in the City Clerk's office.

BUDGET CONSIDERATIONS/FINANCIAL IMPACT

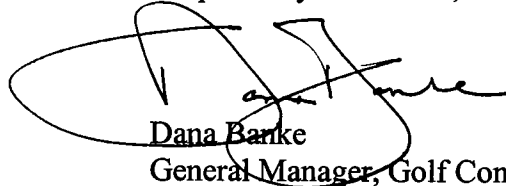
There will be no initial impact on the Golf Enterprise fund to enter into a contract agreement with a new restaurant concessionaire. The recommended concessionaire has proposed to make a number of improvements to the interior of the existing facility. It is anticipated that with the proposed food menu, strong customer relations, and an aggressive cross marketing program including name recognition with the original Jim's Coffee Shop in Alameda, revenues to the Enterprise fund will increase.

The negotiated rent payments with the new proposed concessionaire will be 8.5% of the total gross sales of all restaurant related items. In addition, the rent payments will increase to 10% of total gross sales when a new clubhouse facility is in operation. The City anticipates that the concessionaire's gross sales in the current facilities to be between \$800,000 and \$1,000,000. This will generate a rent payment to the City of \$68,000 to \$85,000 annually. The new concessionaire will initiate service during the slow, off-peak time of year. It should also be noted that, due to a considerable amount of capital investment into the premises, the new concessionaire will receive four months of rent at no charge. This will allow the concessionaire time to upgrade and refurbish the facility and build up their business and prepare for the peak spring and summer golf season.

RECOMMENDATION:

Authorize the City Manager to execute a five-year contract, effective January 1, 2006, with a five-year option to be exercised at the discretion of Tom Geanekos, to provide the exclusive food and beverage service at the Chuck Corica Golf Complex. The City has the ability to terminate the contract after the first term, for "just cause." The City and concessionaire, by mutual consent, may renew this agreement for two additional five-year periods.

Respectfully Submitted,



Dana Barke
General Manager, Golf Commission

DVB/nem

Cc: Golf Commission

CITY OF ALAMEDA

Memorandum

Date: November 30, 2005

To: Honorable Mayor and
Councilmembers

From: Debra Kurita
City Manager

Re: Adoption of Resolution Authorizing Open Market Purchase from SunGard Pentamation, Bio-Key International and Omega Group Pursuant to Section 3-15 of the Alameda City Charter in the Amount of \$307,804 for Financial System Upgrade, National Fire Information Reporting System and Fire View Software;

- Adoption of Resolution Authorizing the Purchase of Storage Area Network System Using the State of California Department of General Services, Procurement Division, Competitive Bid Award; and
- Adoption of Resolution Authorizing the Execution and Delivery of a Master Equipment Lease-Purchase Agreement, an Escrow Agreement and Separate Equipment Schedules with Respect to the Acquisition, Purchase, Financing and Leasing of Certain Equipment for the Public Benefit; Authorizing the Execution and Delivery of Documents Required in Connection therewith; and Authorizing the Taking of all Other Actions Necessary to the Consummation of the Transactions Contemplated by this Resolution

BACKGROUND

Currently, the City staff is in the process of developing an approach to upgrading its comprehensive information technology systems strategic plan. In the interim, the enhancement or development of three technology systems has been identified as a priority for maintaining or supporting current department operations. The three systems are: the financial system, Fire Department records management system and the data storage system. In order to design and implement the improvements to these systems in the current fiscal year, a number of alternative financing options were identified and analyzed.

DISCUSSION

Financial System Software

The City's current financial system software, Government Resource Series (GRS), is a modified Windows-based system that was originally installed in 1999. Although its production features, which include accounts payable and payroll, are functioning

Report 4-K Consent
12-06-05

Dedicated to Excellence, Committed to Service

adequately, the system is inflexible and difficult to navigate, especially for the infrequent user. In general, financial system software is updated or revised approximately every five years. The vendor, SunGard Pentamotion Inc., has produced FinancePLUS and CommunityPLUS software to replace the GRS software.

The Chief Financial Officer was recently informed that SunGard Pentamotion will require the City of Alameda to either agree to purchase the license of the existing system for a fee of approximately \$300,000 or to upgrade to the new browser-based PLUS series for approximately \$214,000. The fee for the new PLUS series software includes licensing, training and data conversion costs. The PLUS series provides greater user flexibility, more system security and data protection and greater ad-hoc reporting capabilities. There are other financial system software vendors in the marketplace, however, the cost to purchase the GRS system as well as to purchase a new system and convert existing data would exceed the PLUS series price. The upgrade to the PLUS series is the recommended next step for the Financial System software.

Fire Records Management System

The Fire Department is required to report to the National Fire Information Reporting System (NFIRS) to be eligible for federal grants including Homeland Security funds. The BIO-key Fire Records Management Software, which meets the NFIRS requirements, is the standard for incident reporting in Alameda County. The purpose of this standardization is to provide one common platform for fire and emergency medical services data collection and analysis throughout the County. After defining these requirements, the County EMS Agency negotiated and contracted with BIO-key and Omega Group to develop and implement this system. BIO-key is the only vendor that provides the tool to transmit data to the EMS District. Additionally, the system provides an integrated records system to track personnel, training and certifications, fire hose records, fire hydrant testing data, fire apparatus equipment inventories, vehicle service records and other relevant information.

The second component of the proposed records management system is the FireView software, which is the companion software to BIO-key. This software, which is produced by Omega Group, exports fire incident reporting data into an ArcView GIS software program to analyze response information in order to track response times, conduct fire station location studies and produce reports.

Storage Area Network

The Information Technology Department recognizes that availability and protection of data have become a key priority within the City's electronic infrastructure. A storage area network (SAN) will provide adequate disc storage to meet the growing needs of the organization. A SAN is a collection of disc drives that consolidate electronic data and is

shared by multiple servers. The SAN environment allows disc space to be allocated as needed and reliably enhances the redundant storage of all data.

The growing need to store and maintain electronic data requires a reliable approach. One of the most cost effective and efficient approaches is for the City is to purchase and install a storage network. During the past ten months, the California Department of General Services performed a comprehensive analysis of technology requirements. After determining the full range of technology needs, a competitive bid was issued covering all areas of technology resulting in State contract award to Northrup Grumman.

BUDGET CONSIDERATION/FINANCIAL IMPACT

Based on these three technology needs occurring simultaneously, a search for alternative financing methods was undertaken. Local sources as well as other sources were queried regarding financing terms and conditions.

The costs of the above-proposed systems are as follows:

SunGard Pentamation upgrade to PLUS series	\$213,384
BIO-Key Fire RMS and Omega Group FireView	\$ 94,500
Storage Area Network	<u>\$125,000</u>
TOTAL	\$432,884

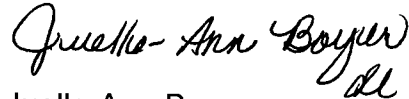
In order to reduce the financial impact of these technology related items, lease financing was explored. Solicitations were made to several leasing vendors but no local vendors expressed interest. California First Leasing Corporation has proposed a four-year term at 4.36% interest. The annual payments of \$122,222.28 will be shared by the Finance Department, Fire Department and the Information Technology Fund. Each of these departments has funds currently available to meet their share of the annual payments. Documents pertaining to the lease finance agreement are on file in the City Clerk's office.

RECOMMENDATION

- Adopt a resolution authorizing open market purchase from SunGard Pentamation, BIO-Key International and Omega Group pursuant to Section 3-15 of the Alameda City Charter in the Amount of \$307,804 for Financial System Upgrade, National Fire Information Reporting System and Fire View Software;
- Adopt a resolution authorizing purchase of a Storage Area Network System using the Department of General Services, Procurement Division Competitive Bid Award; and
- Adopt a Resolution Authorizing the Execution and Delivery of a Master Equipment Lease-Purchase Agreement, an Escrow Agreement and Separate Equipment

Schedules with Respect to the Acquisition, Purchase, Financing and Leasing of Certain Equipment; Authorizing the Execution and Delivery of Documents Required in Connection therewith; and, authorizing the taking of all other actions necessary to the consummation of the transactions.

Respectfully submitted,

A handwritten signature in black ink that reads "Juelle-Ann Boyer" with a stylized flourish at the end.

Juelle-Ann Boyer
Chief Financial Officer

JAB:dl

G:\FINANCE\COUNCIL\2005\120605\Lease Purchase Report rev.doc

CITY OF ALAMEDA RESOLUTION NO. _____

AUTHORIZING OPEN MARKET PURCHASE FROM
SUNGARD PENTAMATION, BIO-KEY INTERNATIONAL AND OMEGA GROUP
PURSUANT TO SECTION 3-15 OF THE ALAMEDA CITY CHARTER
IN THE AMOUNT OF \$307,804

FOR PENTAMATION FINANCEPLUS AND COMMUNITYPLUS SOFTWARE, BIO-KEY
FIRE RECORDS MANAGEMENT SOFTWARE, AND FIREVIEW SOFTWARE

WHEREAS, California First Leasing Corporation provided the most economical proposal to the City of Alameda for the lease/purchase financing of the required software; and

WHEREAS, the Pentamation FinancePLUS and CommunityPLUS are the only products that provide the functions of payroll, general ledger, revenue accounting and work orders to replace the GRS software which is obsolete as of December 31, 2005; and

WHEREAS, the Fire Department presently reports on paper forms, which is uneconomical; and

WHEREAS, BIO-key Fire Records Management Software and FireView are the only software products compatible with the County; and

WHEREAS, section 3-15 of the City Charter provides that the City Council, by four affirmative votes, can authorize an open market purchase if it determines that the materials or supplies can be purchased at a lower price in the open market, or that great necessity or emergency requires immediate action;

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Alameda, pursuant to Section 3-15 of the City Charter, the Alameda Fire Department, in cooperation with the Finance Director, is hereby authorized to purchase the Pentamation FinancePLUS and CommunityPLUS software, BIO-key Fire Records Management Software, and FireView Software in the amount of \$307,804.

* * * * *

I, the undersigned, hereby certify that the foregoing Resolution was duly and regularly adopted and passed by the Council of the city of Alameda in the regular meeting of the City Council on the ____ day of _____, 2005, by the following vote to wit:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

IN WITNESS, WHEREOF, I have hereunto set my hand and affixed the official seal of said City this _____ day of _____, 2005.

Lara Weisiger, City Clerk
City of Alameda

CITY OF ALAMEDA RESOLUTION NO. _____

AUTHORIZING THE PURCHASE OF STORAGE AREA NETWORK SYSTEM USING
THE STATE OF CALIFORNIA DEPARTMENT OF GENERAL SERVICES,
PROCUREMENT DIVISION, COMPETITIVE BID AWARD

WHEREAS, the City of Alameda needs a Storage Area Network to meet a growing need regarding the use and storage of electronic data; and

WHEREAS, consistent with the authorization granted by Alameda Municipal Code section 2-16.7 the Information Technology Department desires to purchase a Storage Area Network using the State of California, Department of General Services, Procurement Division, Competitive Bid Awards; and

WHEREAS, California First Leasing Corporation is offering lease/purchase financing of the system;

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Alameda authorizes the purchase of the Storage Area Network using the State of California, Department of General Services, Procurement Division, Competitive Bid Award.

* * * * *

I, the undersigned, hereby certify that the foregoing Resolution was duly and regularly adopted and passed by the Council of the City of Alameda in a regular meeting of the City Council on the _____ day of _____, 2005, by the following vote to wit:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

IN WITNESS, WHEREOF, I have hereunto set my hand and affixed the official seal of said City this ____ day of _____, 2005.

Lara Weisiger, City Clerk
City of Alameda

Approved as to Form
[Signature]
CITY ATTORNEY

CITY OF ALAMEDA RESOLUTION NO. _____

AUTHORIZING THE EXECUTION AND DELIVERY OF A MASTER EQUIPMENT LEASE-PURCHASE AGREEMENT, AN ESCROW AGREEMENT AND SEPARATE EQUIPMENT SCHEDULES WITH RESPECT TO THE ACQUISITION, PURCHASE, FINANCING AND LEASING OF CERTAIN EQUIPMENT FOR THE PUBLIC BENEFIT; AUTHORIZING THE EXECUTION AND DELIVERY OF DOCUMENTS REQUIRED IN CONNECTION THEREWITH; AND AUTHORIZING THE TAKING OF ALL OTHER ACTIONS NECESSARY TO THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY THIS RESOLUTION

Approved as to Form
[Signature]
CITY ATTORNEY

WHEREAS, City of Alameda, California (Lessee), a body politic and corporate duly organized and existing as a political subdivision, municipal corporation or similar public entity of the State of California, is authorized by the laws of the State of California to purchase, acquire and lease personal property for the benefits of the Lessee and its inhabitants and to enter into contracts with respect thereto; and

WHEREAS, the Lessee desires to purchase, acquire and lease certain equipment constituting personal property necessary for the Lessee to perform essential governmental functions; and

WHEREAS, in order to acquire such equipment, the Lessee proposes to enter into that certain Master Equipment Lease-Purchase Agreement (Agreement) and separate Equipment Schedules from time to time as provided in the Agreement with California First Leasing Corporation (Lessor) and that certain Escrow Agreement with the Lessor and Deutsche Bank National Trust Company, as escrow agent, the forms of which have been presented to the governing body of the Lessee at the meeting; and

WHEREAS, the governing body of the Lessee deems it for the benefit of the Lessee and for the efficient and effective administration thereof to enter into the Agreement and the separate Equipment Schedules as provided in the Agreement for the purchase, acquisition and leasing of the equipment to be therein described on the terms and conditions therein provided;

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of Alameda, as follows:

Section 1. Approval of Documents. The form, terms and provisions of the Agreement, the Escrow Agreement and the separate Equipment Schedules as provided in the Agreement are hereby approved in substantially the forms presented at this meeting, with such insertions, omissions and changes as shall be approved by the City Manager of the Lessee or other members of the governing body of the Lessee executing the same, the execution of such documents being conclusive evidence of

such approval; and the City Manager of the Lessee is hereby authorized and directed to execute, and the Chief Financial Officer of the Lessee is hereby authorized and directed to attest and countersign, the Agreement, the Escrow Agreement and each Equipment Schedule (including such Exhibits) to the respective parties thereto, and the City Clerk of the Lessee is hereby authorized to affix the seal of the Lessee to such documents.

Section 2. Other Actions Authorized. The officers and employees of the Lessee shall take all action necessary or reasonably required by the parties to the Agreement, the Escrow Agreement and each Equipment Schedule to carry out, give effect to and consummate the transactions contemplated thereby (including the execution and delivery of Acceptance Certificates and any tax certificate and agreement, each with respect to separate Equipment Schedules, as contemplated in the Agreement) and to take all action necessary in conformity therewith, including, without limitation, the execution and delivery of any closing and other documents required to be delivered in connection with the Agreement, the Escrow Agreement and each Equipment Schedule.

Section 3. No General Liability. Nothing contained in this Resolution, the Agreement, the Escrow Agreement, any Equipment Schedule nor any other instrument shall be construed with respect to the Lessee as incurring a pecuniary liability or charge upon the general credit of the Lessee or against its taxing power, nor shall the breach of any agreement contained in the Resolution, the Agreement, the Escrow Agreement, any Equipment Schedule or any other instrument or document executed in connection therewith impose any pecuniary liability upon the Lessee or any charge upon its general credit or against its taxing power, except to the extent that the rental payments payable under each Lease are special limited obligations of the Lessee as provided in such Lease.

Section 4. Appointment of Authorized Lessee Representatives. The City Manager and Chief Financial of the Lessee are each hereby designated to act as authorized representatives of the Lessee for purposed of the Agreement, the Escrow Agreement and each Equipment Schedule until such time as the governing body of the Lessee shall designate any other or different authorized representative for purposes of the Agreement, the Escrow Agreement and each Equipment Schedule.

Section 5. Severability. If any section, paragraph, clause or provision of the Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution.

Section 6. Repealer. All bylaws, orders and resolutions or parts thereof, inconsistent herewith, are hereby repealed to the extent only of such inconsistency. This repealer shall not be construed as reviving any bylaw, order, resolution or ordinance or part thereof.

Section 7. Effective Date. This Resolution shall be effective immediately upon its approval and adoption.

* * * * *

I, the undersigned, hereby certify that the foregoing Resolution was duly and regularly adopted and passed by the Council of the City of Alameda in a regular meeting assembled on the _____ day of _____, 2005, by the following vote to wit:

AYES

NOES:

ABSENT:

ABSTENTIONS:

IN WITNESS, WHEREOF, I have hereunto set my hand and affixed the seal of said City this ____ day of _____, 2005.

Lara Weisiger, City Clerk
City of Alameda

CITY OF ALAMEDA RESOLUTION NO. _____

APPOINTING MORRIS H. TREVITHICK AS A MEMBER OF THE
CITY ECONOMIC DEVELOPMENT COMMISSION
(REAL ESTATE/LAND DEVELOPMENT SEAT)

BE IT RESOLVED by the Council of the City of Alameda that pursuant to Section 2-14.2 of the Alameda Municipal Code and Resolution No. 12149, and upon nomination of the Mayor, MORRIS H. TREVITHICK is hereby appointed to the office of Real Estate/Land Development Seat Member of the Economic Development Commission of the City of Alameda, commencing December 6, 2005 and expiring on August 31, 2006 and to serve until his successor is appointed and qualified.

* * * * *

I, the undersigned, hereby certify that the foregoing Resolution was duly and regularly adopted and passed by the Council of the City of Alameda in regular meeting assembled on the ____ day of _____, 2005, by the following vote to wit:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

IN WITNESS, WHEREOF, I have hereunto set my hand and affixed the official seal of said City this ____ day of _____, 2005.

Lara Weisiger, City Clerk
City of Alameda

Resolution #5-A
12-06-05

Approved as to Form
CITY ATTORNEY

CITY OF ALAMEDA

MEMORANDUM

Date: November 30, 2005

To: Honorable Mayor and
Councilmembers

From: Debra Kurita
City Manager

Re: Update on City's Infrastructure Investment - Options to Increase Funding for the
Repair and On-going Preventative Maintenance of the City's Infrastructure

BACKGROUND

On May 17, 2005, the City Manager's Office provided a report to the City Council on the financial challenges associated with the City's infrastructure investments. Specific infrastructure elements considered in the report included streets; street tree related sidewalk repairs; pruning and replacement of street trees; buildings; sewers; storm drains; street lights; and traffic signals. The report, which used maintenance records to estimate costs, concluded that approximately \$7 million would be needed annually to maintain the current condition of the infrastructure. The City typically allocates approximately \$4 million annually for preventative maintenance, resulting in an annual \$3 million shortfall. In addition, staff estimated that an allocation of approximately \$30 million is necessary to enhance the existing infrastructure to achieve an overall rating of "good". According to general engineering practice, a "good" condition constitutes an infrastructure system which:

- Functions and performs as designed without interruption to service
- Requires minimum on-going maintenance and operation costs
- Contains very low financial, health and safety risk

The City Council requested that staff develop an action plan to address the infrastructure investment shortfall. Staff has since consulted with the Recreation and Parks Department to insure their facilities are adequately addressed in the analysis and separated out the sewer, storm drain and street light infrastructure, since they have dedicated funding sources. Based on this updated approach and the addition of recreational facilities, the annual shortfall is approximately \$3.4 million. The revised cost to bring the infrastructure to "good" condition is approximately \$27 million (Table 1).

The overall deferred maintenance costs were determined using a simplified straight-line deduction method, which assumes a fixed annual maintenance cost, adjusted by the current construction cost index. However, the actual reduction in infrastructure integrity associated with reduced maintenance is not linear and the amount of deferred maintenance may be greater. In addition, with the exception of the street resurfacing program, the infrastructure cost estimates are based on projections of best available information, typically maintenance records. Since the

majority of data have not been obtained through field measurements and prices are subject to the market at the time bids are received, these estimates may not be completely accurate. For example, the sidewalk estimate is based on an extrapolation of the number of repair tags written by staff over the past few years. Similarly, the estimate for improving the City's recreation fields and irrigation systems is based on the Interim Recreation and Park Director's recent experience with field renovations. To fully and accurately assess the total funding needs for the repair and on-going preventative maintenance of the City's infrastructure, individual detailed studies would be required and additional funding would be needed to conduct these studies.

DISCUSSION

To develop an action plan that addresses the infrastructure investment shortfall, staff first reviewed and prioritized the different categories of infrastructure improvements. Higher priority was assigned to infrastructure that directly affected the quality of life of our residents and businesses, reduced potential liability concerns, and resulted in improved utilization of the infrastructure. The top priority infrastructure were further analyzed to develop short-term and long-term options for providing an on-going, reliable funding stream.

Prioritization of Categories of Infrastructure Improvements:

Based on the above criteria, the following list of the high priority infrastructure categories was developed for Council review and input:

<u>Infrastructure Category</u>	<u>\$ Estimated to Bring to "Good"</u>
• Street Tree Related Sidewalk Repair	\$ 3,400,000 ¹
• Recreation Field & Irrigation Improvements	\$ 1,200,000 ²
• Street Resurfacing	\$ 15,700,000 ³
• Street & Park Tree Pruning	\$ 1,000,000 ^{1,2}
• Street & Park Tree Removal and Replacement	\$ 150,000 ^{1,2}

Infrastructure Funding Requirements:

Street Tree Related Sidewalk Repair:

Under current policy, the City is responsible for the repair of sidewalks damaged by street trees. Property owners are responsible for all other sidewalk repairs. Based on available data, staff estimates that \$3.4 million would be required to bring this infrastructure to "good" condition and that approximately \$400,000 in annual funding would maintain the infrastructure to the current condition. Since \$300,000 is allocated for sidewalk repairs this fiscal year, staff estimates an additional \$3.1 million is necessary if the City were to immediately address all street tree related sidewalk repairs. Based on best available data, it is estimated that allocating approximately

¹ Based on extrapolation of repair tags for last few years.

² Based on information from Interim Recreation and Parks Director.

³ Based on 2004 Pavement Management Program Report.

\$770,000 each year for 10 years will repair sidewalks damaged by street trees, including the required on-going maintenance. At the end of the 10-year program, only the on-going maintenance, estimated at \$400,000 annually (in 2005 dollars), would be needed.

Recreation Field & Irrigation Improvements:

Public Works staff consulted with the Recreation and Parks Department (ARPD) to identify the costs associated with renovating and improving the City's fields and irrigation systems. Based on their input, it is estimated that allocating approximately \$250,000 to \$300,000 each year will renovate and improve one recreation field and irrigation system per year. There are five fields currently in need of renovation. Funding for the on-going maintenance of this infrastructure is included in ARPD's budget. ARPD is in the process of conducting a study to determine the annual maintenance costs for its facilities. This report is expected to be completed by Spring 2006.

Street Resurfacing:

Based on the 2004 Pavement Management Update Report, it will cost approximately \$15 million to immediately bring the City's streets to a "good" condition. The report also estimates that the street network could be brought to a "good" condition by allocating approximately \$4.75 million each year for 10 years. Thereafter, annual funding of approximately \$2.7 million (in 2005 dollars) would maintain the "good" rating. Existing funding sources are not available to fund these cost and an immediate solution is not possible. Restoring the City's streets to a "good" condition will require a multi-year approach and assistance from outside the City's existing available funding sources. While potential funding sources include federal and state grants, over the last few years, grants for street resurfacing have been few. Staff is investigating the California Integrated Waste Management Board's recent announcement that funds will be available for the increased costs associated with using rubberized asphalt concrete on resurfacing projects. Therefore, to insure an on-going, reliable funding source, the City will need a local financial resource to address street improvement and maintenance needs. Potential sources for increasing revenue are discussed in more detail later in this report.

Street and Park Trees:

As with street resurfacing, funding for the remaining priorities is not currently available. While potential funding sources include federal and state grants, over the last few years, grants for tree planting and/or pruning have not been available. To insure an on-going, reliable funding source, the City will need a local financial resource to address street and park trees. Potential sources for increasing revenue are discussed in more detail later in this report.

Funding Sources Immediately Available:

Based on the estimated costs to repair and maintain the City's infrastructure, an action plan must be developed that provides immediate funding for high priority categories and identifies an on-going, reliable funding source for the long-term financial requirements associated with our infrastructure investment. Staff reviewed existing City funding sources and has identified

approximately \$2.8 million in unallocated funds that could be made available this fiscal year to initiate the first year of an infrastructure action plan. The funding amounts discussed below are one-time monies, and may not be available in future years.

<u>FUND</u>	<u>Funding Available</u>	<u>Recommended Funding</u>	<u>Eligible Expenditure</u>
General Fund Reserve	\$1,850,000	\$1,850,000	Unrestricted
1986-Measure B	\$400,000	\$400,000	Street Related
Proposition 42	\$310,000	\$310,000	Street Related
Construction Improvement Tax	\$220,000	\$220,000	Development Related
Dwelling Unit Tax	\$40,000	\$40,000	Park & Recreation
Open Space	\$902,000	\$0	Expand Park System
 TOTAL	 \$3,722,000	 \$2,820,000	

General Fund Reserves:

In 1989, the City Council established a goal that General Fund Reserves be set at 25% of the current General Fund operating expenses. This goal represents three months of expenditures and insures that the City would have sufficient time to develop an action plan during a disastrous event or downturn. The Finance Director estimates that there is at least \$1.85 million in General Fund Reserves over the 25% goal that could be reasonably directed toward infrastructure improvements without jeopardizing our long-term financial outlook.

1986 Authorized Measure B Funds:

The City has approximately \$460,000 of unallocated 1986 authorized Measure B funds. These funds may only be used for street and sidewalk repairs. In the past, these funds were held in reserve for emergencies and as the local match for grant applications. Based on the condition of our infrastructure, Council could allocate \$400,000 to qualifying infrastructure and retain \$60,000 for future grant applications.

Proposition 42 Funds:

The approved State Budget includes the re-instatement of Proposition 42 funds to local jurisdictions. Approved in 2002, Proposition 42 requires that the State's full portion of sales tax on gasoline be directed toward transportation projects. The State estimates that Alameda will receive approximately \$310,000 starting this fiscal year. These funds are available for street maintenance subject to a Maintenance of Effort (MOE) requirement which requires cities and or counties to annually expend from its General Fund for street, road, and highway purposes an amount not less than the annual average of its expenditures from its general fund during the 1996-97, 1997-98, and 1998-99 fiscal years. The Finance Department has reviewed the MOE requirement and determined that we should be able to meet the MOE obligation. This is a new funding source and has not been allocated this fiscal year. The on-going availability of these funds is uncertain.

Construction Improvement Tax:

The Construction Improvement Tax is assessed on every building and plumbing permit at the rate of 1% of the estimated construction cost for the work. This fund may be used to defer any of the costs for municipal services generated by the development of property. Historically, these funds have been used to fund streets and sidewalks repairs. Since current permit activity is high, the Interim Planning and Building Director reviewed projected revenues from the Construction Improvement Tax and determined an additional \$220,000 in unanticipated funds should be available this fiscal year.

Dwelling Unit Tax:

The Dwelling Unit Tax is a set fee (currently \$1,300) paid for each new dwelling unit constructed in the City. Approximately 83% of these funds are used to provide park and recreation facilities. Since current permit activity is high, the Interim Planning and Building Director reviewed projected revenues from the Dwelling Unit Tax and determined an additional \$40,000 in unanticipated funds should be available this fiscal year.

Open Space Fund:

This fund was established by the City Council to expand the park system by purchasing real property for new parks. The current balance is \$903,000. Council could direct that this fund be made available to fund improvements to existing park/recreation facilities; however, due to Council's long-term goal to provide additional parks within the City, staff does not recommend using this money to fund existing infrastructure needs.

Infrastructure Action Plan - Short-Term Strategy:

Based on a review of the City's funds and a re-estimation of anticipated revenues, staff has identified approximately \$2.8 million in unallocated, one-time monies that can be used to fund infrastructure repairs. Staff recommends that these funds be allocated as follows:

- \$470,000 to the sidewalk program, this amount plus the previous Council allocation of \$300,000 will be sufficient to fund the first year of a 10-year sidewalk replacement program,
- \$300,000 to field & irrigation to fund the renovation of one recreation field and irrigation system, and
- \$2,050,000 to the street resurfacing program, this amount plus the previous Council allocation of \$650,000 will fund the 2004 Pavement Management Update Report's recommended annual amount for street resurfacing.

Infrastructure Action Plan - Long-Term Funding Options and Strategies:

To fully address the financial challenges associated with repairing and maintaining the City's infrastructure, a long-term funding strategy must be developed. Staff is currently developing a ten-year financial model to provide context for and identify the impacts of budgetary decisions

made by the Council. Since funding a long-term infrastructure action plan will affect the City's financial forecasts and budgets, staff recommends that the model analyze a multi-year infrastructure funding strategy. In addition, development of the Capital Improvement Program (CIP) budget for the next two-year budget cycle is beginning. The CIP is developed with input and recommendations from all departments and, at the departments' request, various boards/commissions. In addition, comments and suggestions are elicited from the general public through three public workshops. It is recommended that the CIP process be used to assess the progress and effectiveness of the proposed infrastructure repair and maintenance funding proposals as they are implemented.

While potential funding sources to repair and maintain the City's infrastructure include federal and state grants, over the last few years, the availability of grants to fund maintenance related activities has been limited. There are a number of potential revenue raising opportunities available to cities to insure an on-going, reliable funding source is available to fund local services. These include:

Real Property Transaction Tax:

When properties transfer ownership, the City of Alameda charges a transfer of property tax at the rate of \$5.40 for each \$1,000 of property valuation. The City's rate is at the low range when compared with other Charter Cities in Alameda County (see Table 2). If the Property Transfer Tax rate in Alameda were increased by \$5.00, to \$10.40 per \$1,000 of property valuation, the City could potentially generate \$3.5 million annually in revenue, based on today's marketplace. This rate would still be below the \$15.00 rate charged by Oakland and Berkeley. The estimated \$3.5 million is roughly equivalent to the estimated annual costs to maintain the top five infrastructure categories. An increase to the Property Transaction Tax is subject to Proposition 218, which requires approval by a majority of voters if the funds will be used for general operation expenses and 66.6% of voters if the funds are allocated to a specific purpose.

Assessment Districts:

Assessment Districts are used to fund the on-going maintenance costs associated with streets, sidewalks, landscaping, and lighting. Assessment Districts can be City-wide or area-wide and require approval from a majority of responding affected property owners (based on the method of assessment). The City currently has two Assessment Districts that fund the maintenance of the public infrastructure for the Bayport and Marina Cove residential developments.

Establish Landscaping & Lighting Districts:

Landscaping and Lighting Districts are used to fund the on-going maintenance costs associated with the maintenance of median landscaping, street trees, irrigation, and lighting. They may not be used to fund street and sidewalk repairs. Landscaping and Lighting Districts can be City-wide or area-wide and require approval from a majority of responding affected property owners (based on the method of assessment). The City currently has one Landscaping and Lighting District which is comprised of seven zones throughout the City.

BUDGET CONSIDERATION/FINANCIAL IMPACT

Staff estimate that approximately \$27 million is necessary to enhance the existing infrastructure to achieve an overall rating of "good" and an additional \$3.4 million would be needed annually to maintain the current condition of the infrastructure. These cost estimates are based on projections of best available information, typically maintenance records. Based on a review of the City's funds and a re-estimation of anticipated revenues, staff has identified approximately \$2.8 million in unallocated, one-time monies that can be used to fund infrastructure repairs this fiscal year. To fully address the financial challenges associated with repairing and maintaining the City's infrastructure, a long-term funding strategy must be developed.

MUNICIPAL CODE/POLICY DOCUMENT CROSS REFERENCE

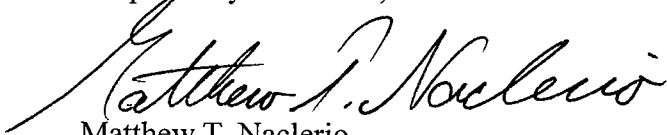
The proposed action does not affect the Municipal Code.

RECOMMENDATION

It is recommended that the City Council consider the options presented in the staff report to increase funding for the repair and on-going preventative maintenance of the City's infrastructure investment and approve the following Fiscal Year 2005-2006 budget appropriations:

1. \$400,000 of unallocated 1986 Measure B funds and \$70,000 from Proposition 42 Funds, to the Sidewalk Improvement Program.
2. \$240,000 from Proposition 42 Funds and \$1,810,000 in General Fund Reserves to the street resurfacing program.
3. \$220,000 in Construction Improvement Tax, \$40,000 in Dwelling Unit Tax and \$40,000 in General Fund Reserves to Recreation Field & Irrigation Improvements.
4. Continue to research long-term funding options in conjunction with the ten-year financial model and monitor the progress and effectiveness of the infrastructure action plan as part of the Capital Improvement Program public process.

Respectfully submitted,



Matthew T. Naclerio
Public Works Director

Attachments

INFRASTRUCTURE INVESTMENT CHALLENGES - Table 1

Major Infrastructure Components	A	B	C	D	E	Source of Information
	Estimated Required Overall Amount to Bring to "Good" Condition ¹	Estimated Required Annual Amount to Maintain "Good" Condition ¹	FY05-06 Budgeted Annual Amount	FY05-06 Annual Deferred Maintenance Amount (B - C)	Estimated Net Req'd Amt to Bring to "Good" Condition (Rounded) (A - C)	
Sidewalk Repair	\$ 3,400,000	\$ 400,000	\$ 300,000	\$ 100,000	\$ 3,100,000	Sidewalk backlog requests (\$1.5M), Estimated Req'd Repairs Citywide (\$3.4M) (April 2005)
Recreation Field & Irrigation Improvements.	\$ 1,350,000	\$ 100,000	\$ 100,000	\$ -	\$ 1,250,000	Interim ARPD Director's estimates (Franklin, Godfrey, Lincoln, McKinley & Washington). Maintenance incl. in operating budget.
Street Resurfacing	\$ 15,700,000	\$ 2,700,000	\$ 650,000	\$ 2,050,000	\$ 15,050,000	Pavement Management System (September 2004)
Street & Park Tree Pruning	\$ 1,000,000	\$ 350,000	\$ 150,000	\$ 200,000	\$ 850,000	Maintenance Records (May 2005) & ARPD input (October 2005).
Street & Park Tree Removal and Planting	\$ 150,000	\$ 50,000	\$ 30,000	\$ 20,000	\$ 120,000	Maintenance Records (May 2005)
Park Pathways	\$ 660,000	\$ 160,000	\$ -	\$ 160,000	\$ 660,000	Best guess estimate. No reliable data available. Additional detailed study required.
Landscape Median Maintenance	\$ 470,000	\$ 260,000	\$ 180,000	\$ 80,000	\$ 290,000	Maintenance Records (May 2005)
City Building Upgrades	\$ 2,750,000	\$ 750,000	\$ 250,000	\$ 500,000	\$ 2,500,000	Based on Department's requests for FY04-06 CIP budget cycle. Covers replacement of roofs, doors, windows, floors & painting.
Traffic Striping	\$ 470,000	\$ 160,000	\$ 120,000	\$ 40,000	\$ 350,000	Maintenance Records (May 2005)
Traffic Signal Controller Replacement	\$ 330,000	\$ 110,000	\$ 112,500	\$ (2,500)	\$ 220,000	Maintenance Records (May 2005)
Curb Ramps	\$ 360,000	\$ 110,000	\$ -	\$ 110,000	\$ 360,000	Best guess estimate. No reliable data available. Additional detailed study required.
Tennis Court Resurfacing	\$ 150,000	\$ 150,000	\$ -	\$ 150,000	\$ 150,000	ARPD has no budget for this item for FY05-06.
Traffic Signal Painting	\$ 130,000	\$ 50,000	\$ 50,000	\$ -	\$ 80,000	Maintenance Records (May 2005) & ARPD input (October 2005).

INFRASTRUCTURE INVESTMENT CHALLENGES - Table 1

Major Infrastructure Components	A	B	C	D	E	Source of Information
	Estimated Required Overall Amount to Bring to "Good" Condition ¹	Estimated Required Annual Amount to Maintain "Good" Condition ¹	FY05-06 Budgeted Annual Amount	FY05-06 Annual Deferred Maintenance Amount (B - C)	Estimated Req'd Overall Amt to Bring to "Good" Condition (Rounded) (A - C)	
Street Light Replacement	\$ 240,000	\$ 80,000	\$ 77,150	\$ 2,850	\$ 170,000	AP&T Streetlight Maintenance Budget. The Maintenance Division contributes \$5K for lights mounted on traffic signals.
Historic Street Lights	\$ 1,570,000	\$ 350,000	\$ 152,000	\$ 198,000	\$ 1,420,000	AP&T Historic Streetlight Study (2003)
Street Light Pole Painting	\$ 490,000	\$ 60,000	\$ -	\$ 60,000	\$ 490,000	AP&T has no budget for this item for FY05-06.
Cyclic Sewer Repairs	\$ 6,490,000	\$ 590,000	\$ 1,416,000	\$ -	\$ 5,080,000	Recommended replacement list of sewer mains from Maintenance Records (December 2004)
Storm Drainage Repairs	\$ 2,975,000	\$ 275,000	\$ -	\$ 275,000	\$ 2,980,000	Storm Drainage Facilities Rehabilitation and Repair Report by Harris & Associates (August 1998)
Sewer/Storm Pump Station Upgrades	\$ 450,000	\$ 450,000	\$ 450,000	\$ -	\$ -	Maintenance Records (May 2005)
SUBTOTAL						
RESTRICTED FUNDS	\$ 12,215,000	\$ 1,805,000	\$ 2,095,150	\$ (290,150)	\$ 10,140,000	

GRAND TOTAL \$ 39,135,000 \$ 7,155,000 \$ 4,037,650 \$ 3,117,350 \$ 35,120,000

Note 1: Values are projected for FY05-06 by adjusting FY04-05 values per Construction Cost Index in the Bay Area.

Note 2: CIT = Construction Improvement Tax; DUT = Dwelling Unit Tax; AP&T = Alameda Power & Telecom

Table 2

**Real Property Transfer Tax Survey
Rates Expressed per \$1,000 of Assessed Value**

Alameda County	City Rate	County Rate	Combined Rate
Alameda	5.40	1.10	6.50
Albany	7.40	1.10	8.50
Berkeley	15.00	1.10	16.10
Dublin	0.55	0.55	1.10
Emeryville	0.55	0.55	1.10
Fremont	0.55	0.55	1.10
Hayward	4.50	1.10	5.60
Livermore	0.55	0.55	1.10
Oakland	15.00	1.10	16.10
Piedmont	13.00	1.10	14.10
San Leandro	6.00	1.10	7.10
Union City	0.55	0.55	1.10